

An Ordinance concerning the construction of additions and improvements to, and the acquisition of equipment for, the sewage works of the City of Fort Wayne, the issuance of junior revenue bonds to provide funds for the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue bonds, and other matters connected therewith and repealing ordinances inconsistent therewith

WHEREAS, the City of Fort Wayne (the "City") has heretofore established, constructed and financed sewage works pursuant to Chapter 61 of the Acts of the Indiana General Assembly for the year 1932 (Special Session), and now owns and operates said sewage works pursuant to I.C. 36-9-23 (the "Sewer Act"); and

WHEREAS, the Board of Public Works and Safety of the City of Fort Wayne has represented to the Common Council of the City and the Common Council now finds that said sewage works is in need of certain additions, improvements and equipment; that plans, specifications and estimates for the necessary additions and improvements to, and equipment for, the sewage works have been prepared and filed by the Water Pollution Control Engineering Department of the City, which plans and specifications will have been approved prior to construction by the Board of Public Works and Safety of said City and by all governmental authorities having jurisdiction, particularly the Stream Pollution Control Board of the State of Indiana and the State Board of Health and any successors thereto; and

WHEREAS, the Common Council further finds that the Board of Public Works and Safety has received engineering estimates and other confirming data fixing the estimated cost of construction of said additions and improvements to, and the acquisition of equipment for, the sewage works of said City, and on the basis of said estimates and data, the cost of said project has been determined to be approximately Five Million Fifty-Five Thousand Dollars (\$5,055,000) for construction of sewers and improvements and acquisition of certain equipment; and approximately Seventy-Five Thousand Dollars (\$75,000) to defray incidental costs of issuance; and

WHEREAS, the Common Council finds that the cost of said additions, improvements and equipment cannot be provided for out of funds of the sewage works now on hand or to be received prior to the completion thereof; that funds to apply on the cost should be provided by the issuance of junior revenue bonds payable solely out of the net revenues of the City's sewage works; that the financial advisor to the City of Fort Wayne has advised that reserves in the amount of Five Hundred Seventy Thousand Dollars (\$570,000) funded by bond proceeds are necessary expenses in financing the works and that the incidental costs of issuance and financing also should be paid from said bond proceeds; and

WHEREAS, the Common Council finds that there are now outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds" (the "1959 Bonds"), dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand (\$640,000), bearing interest at the rates of three and seven-eighths percent (3-7/8%) or three and one-quarter percent (3-1/4%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1990, inclusive, which bonds constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1961" (the "1961 Bonds"), dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), bearing interest at the rate of three and three-quarters percent (3-3/4%) per annum, maturing on August 1 in the years 1986 to 1993, inclusive, which bonds are on a parity with the 1959 Bonds and also constitute a first charge upon the net revenues of the sewage works; and



WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1970" (the "1970 Bonds"), dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), bearing interest at the rates of six and seven-tenths percent (6.7%), six and nine-tenths percent (6.9%) or seven percent (7.0%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1995, inclusive, which bonds are on a parity with the 1959 Bonds and the 1961 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1975" (the "1975 Bonds"), dated January 1, 1975, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), bearing interest at the rates of six and five-tenths percent (6.5%), six and seven-tenths percent (6.7%) or five percent (5%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1997, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds and the 1970 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Revenue Bonds of 1982" (the "1982A Bonds"), dated July 1, 1982, now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), bearing interest at the rates of twelve and three hundred seventy-five one-thousandths percent (12.375%), twelve and four-tenths percent (12.4%), twelve and six-tenths percent (12.6%) or twelve and seventy-five one-hundredths percent (12.75%) per annum, depending on the maturities, maturing on August 1 in the years 1996 to 2000, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds, the 1970 Bonds and the 1975 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewer Connection Revenue Bonds of 1982" (the "1982B Bonds"), dated July 1, 1982, now outstanding in the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000), bearing interest at the rates of twelve percent (12%), twelve and twenty-five one-hundredths percent (12.25%), twelve and twenty one-hundredths percent (12.20%) and twelve and three hundred seventy-five one-thousandths percent (12.375%) per annum, depending on the maturities, maturing on August 1 in the years 1985 to 1998, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds, the 1970 Bonds, the 1975 Bonds and the 1982A Bonds (collectively, the "Refunded Bonds") and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued to refund the Refunded Bonds designated "Sewer Works Revenue Refunding Bonds" (the "Refunding Bonds"), initially dated December 18, 1985, in the original principal amount of \$18,096,275.15, bearing interest at various rates, maturing February 1 and August 1 of each year from 1989 through 2000 and on August 1, 2005, which bonds are junior to the Refunded Bonds (collectively, the Refunded Bonds and Refunding Bonds are referred to herein as the "Outstanding Bonds") and also constitute a second charge upon the net revenues of the sewage works; and

WHEREAS, the ordinances authorizing the issuance of the Outstanding Bonds require that, unless certain conditions are met, any bonds subsequently issued be junior and subordinate to the Outstanding Bonds in respect to the application of the revenues of said sewage works; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said junior revenue bonds have been complied with in accordance with the provisions of the Sewer Act; now therefore,



BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA THAT:

Section 1. In addition to the words and terms elsewhere defined in the proceedings, the following words and terms as used in this ordinance (the "Bond Ordinance") and in the Bonds authorized and defined in Section 3 hereof shall have the following meanings unless otherwise provided therein and unless the context or use indicates another or different meaning or intent:

"Authorized Denominations" means the denomination of \$5,000 or any integral multiple thereof.

"Bonds" means the \$5,700,000 City of Fort Wayne Sewage Works Revenue Bonds of 1986 authorized in Section 3 hereof.

"Eligible Investments" means:

1. Direct and general obligations of the United States of America, or obligations which are unconditionally guaranteed as to principal and interest by the United States of America.

Also permitted are evidences of ownership of proportionate interests in future interest and principal payments of the above United States Obligations. Investments in these proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

2. Obligations issued or guaranteed by the instrumentalities or agencies of the United States of America described below:

- (a) Federal Home Loan Bank System;
- (b) Export-Import Bank of the United States;
- (c) Federal Financing Bank;
- (d) Government National Mortgage Association;
- (e) Farmers Home Administration;
- (f) Federal Home Loan Mortgage Company;
- (g) Federal Housing Administration;
- (h) Private Export Funding Corp;
- (i) Tennessee Valley Authority.

3. Pre-refunded municipal obligations meeting the following conditions:

(a) the municipal obligations shall not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;

(b) the municipal obligations are secured by cash or Eligible Investments described in No. 1 ("United States Obligations"), which cash or United States Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;



(c) the principal and interest of the United States Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;

(d) the United States Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and

(e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

4. Direct and general long-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by Moody's Investors Service ("Moody's") or Standard and Poor's Corporation ("S&P") (if rated at all).

5. Direct and general short term obligations of any state of the United States described in No. 4 above which are rated in the highest rating category by Moody's and S&P (if rated at all).

6. Interest bearing demand or time deposits with or certificates of deposit issued by a national banking association or a state bank or trust company which is a member of the Federal Deposit Insurance Corporation ("FDIC") or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation ("FSLIC") which are (a) continuously and fully insured by the FDIC or the FSLIC, or (b) with a bank which has outstanding debt, or which is a subsidiary of a one-bank holding company which has outstanding debt, rated at least P-1 by Moody's or at least A-1 by S&P, or (c) continuously and fully secured by obligations of the type described in Nos. 1 and 2 above which have a market value at all times at least equal to the principal amount of the deposit and which are held by the depository of the funds being invested or its agent or, in the case of bookentry securities, are registered in the name of the depository of the funds being invested as pledgee. The depository of the funds being invested should have a perfected first lien in the United States Obligations serving as collateral, and such collateral must be free from all third party liens.

7. Long term or medium-term corporate debt guaranteed by any corporation which is rated by Moody's and S&P in their two highest rating categories.

8. Repurchase agreements, the maturity of which is less than 30 days, entered into (a) with a bank or trust company organized under the laws of any state of the United States or with a national banking association, insurance company, or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of the Security Investors Protection Corporation or (b) with a dealer which is rated, or the parent holding company of which is rated, investment grade by Moody's or S&P. The repurchase agreement must be continuously and fully secured by obligations of the type described in No. 1 or No. 2 above which have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreement and which are held by the depository of the funds being invested or its agent or, in the case of bookentry securities, are registered in the name of the depository of the funds being invested as pledgee. The depository of the funds being invested should have a perfected first lien in, and retain possession of, the collateral. The obligations serving as collateral must be free from all third party claims.



9. Prime commercial paper of a United States corporation, finance company or banking institution rated "P-1", or "A-1" by Moody's or S&P, respectively.

10. Public housing bonds issued by public agencies. These bonds must be fully secured by a pledge of annual contributions under a contract with the United States government; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States; or state or public agency or municipality obligations rated in the highest rating category by a nationally recognized bond rating agency.

"Escrow Agreement" means the Escrow Agreement, dated as of November 1, 1985, between the City and Summit Bank, as escrow trustee.

"Government Obligations" means (i) direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, and (ii) pre-refunded municipal obligations meeting the following criteria:

- (a) the municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;
- (b) the municipal obligations are secured by cash or securities described in subparagraph (i) above (the "Defeasance Obligations"), which cash or Defeasance Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;
- (c) the principal and interest of the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;
- (d) the Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and
- (e) the Defeasance Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent;

provided that any investment or deposit described above is not prohibited by applicable Indiana law.

Additionally, evidences of ownership of proportionate interests in future interest and principal payments of Defeasance Obligations are permissible. Investments in these proportionate interest are limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate and apart from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Holder" means the person in whose name a Bond is registered on the Register.

"Interest Payment Dates" means each January 1 or July 1, commencing on July 1, 1987 in the years during which the Bonds are outstanding under the provisions of this Bond Ordinance.

"Outstanding Bonds" means the Outstanding Bonds as defined in the preambles hereto.

"Paying Agent" means Summit Bank.



"Register" means the books kept and maintained by the Registrar for registration of principal and interest on the Bonds and for registration of transfer of the Bonds.

"Registrar" means Summit Bank.

"1986 Sewage Works Construction Fund" means the 1986 Sewage Works Construction Fund created in Section 11 hereof.

"Sewage Works Improvement Fund" means the Sewage Works Improvement Fund described in Section 13 hereof.

"Sewage Works Operation and Maintenance Fund" means the Sewage Works Operation and Maintenance Fund created in Section 13 hereof.

"Sewage Works Reserve Account" means the Sewage Works Reserve Account created in Section 11 hereof.

"Sewage Works Reserve Requirement" means, with respect to the Bonds, one year's maximum principal and interest on all Bonds and any bonds on a parity with the Bonds; provided, however, that principal and interest requirements for the final maturity year of any series of bonds, including the Bonds, shall be computed by subtracting from total principal and interest requirements for that series of bonds in that year the balance in the Sewage Works Reserve Account allocable to that series.

"Sewage Works Sinking Fund" means the Sewage Works Sinking Fund described in Section 11 hereof, including therein the Sewage Works Reserve Account.

"Sewer Act" means Ind. Code 36-9-23.

Section 2. The City shall proceed with the construction of additions and improvements to, and acquisition of equipment for, its sewage works in accordance with the plans and specifications heretofore or from time to time prepared and filed by City engineers, which plans and specifications are by reference made a part of this Bond Ordinance as fully as if the same were attached hereto and incorporated herein and two copies of which are now on file in the office of the Clerk of the City of Fort Wayne, Indiana, and are open for public inspection pursuant to I.C. 36-1-5-4. The cost of construction and acquisition of said additions, improvements and equipment, including the funding of a debt reserve in the amount of \$570,000 and the cost of issuance shall not exceed the sum of \$5,700,000 without further authorization from this Common Council. The terms "sewage treatment works," "works," and other like terms where used in this Bond Ordinance shall be construed to mean and include all structures and property of the City's sewer utility, including items defined at I.C. 36-9-1-8. Said additions and improvements to, and equipment for, the sewage works shall include facilities and equipment to extend, improve and renovate the sewage system, and shall be constructed and acquired in accordance with the plans and specifications heretofore mentioned, which plans and specifications are hereby approved. Said additions, improvements and equipment shall be constructed and acquired and the Bonds herein authorized shall be issued pursuant to and in accordance with the provisions of the Sewer Act, and all acts supplemental thereto, relating to the issuance of junior revenue bonds.

Section 3. The City shall issue its sewage works junior revenue bonds in an original principal amount of \$5,700,000 (the "Bonds"), for the purpose of procuring funds to apply on the cost of said works, including the funding of a debt reserve in the amount of \$570,000 and the cost of issuance. Any provisions of this Bond Ordinance to the contrary notwithstanding, said Bonds shall rank junior to the Outstanding Bonds.

(a) Form and Numbering. The Bonds shall be issued only in fully registered form substantially as set forth herein, shall be exchangeable for fully registered Bonds of Authorized Denominations in the manner and on the terms provided herein, and shall be numbered as determined by the Registrar, as hereinafter defined.

(b) Denomination and Dates. The Bonds shall be issued in Authorized Denominations and shall be dated as of the Interest Payment Date next



preceding the date of their authentication except that if authenticated on an Interest Payment Date they shall be dated as of such date of authentication; provided that if at the time of authentication interest thereon is in default, they shall be dated as of the date to which interest has been paid.

(c) Maturities and Interest Rates. Interest on the Bonds shall be payable on each Interest Payment Date commencing on July 1, 1987 at a rate or rates not exceeding nine percent (9%) per annum (the exact rate or rates to be determined by bidding). The principal shall be payable at maturity on January 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1989	\$ 80,000	2000	\$205,000
1990	90,000	2001	230,000
1991	95,000	2002	245,000
1992	105,000	2003	270,000
1993	115,000	2004	295,000
1994	125,000	2005	320,000
1995	135,000	2006	350,000
1996	150,000	2007	380,000
1997	160,000	2008	415,000
1998	175,000	2009	450,000
1999	190,000	2010	495,000
		2011	625,000

Section 4. Principal of and interest and any premium due on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of Summit Bank, as the paying agent (the "Paying Agent"). The principal of and any premium on any Bond shall be payable when due to the person in whose name a Bond is registered (the "Holder") on the books (the "Register") kept and maintained by Summit Bank (the "Registrar") for registration and transfer of the Bonds at the principal offices of the Paying Agent and interest on the Bonds shall be paid on each Interest Payment Date by check or draft which the Paying Agent shall cause to be mailed on that date to the Holder of the Bond (or one or more Predecessor Bonds, as hereinafter defined) as of the close of business on the 15th day of the calendar month next preceding an Interest Payment Date applicable to that Bond (the "Regular Record Date") at the Holder's address as it appears on the Register. If and to the extent that the City shall fail to make payment or provision for payment of interest on any Bonds on any Interest Payment Date, that interest shall cease to be payable to the person who was the Holder of that Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. In that event, when moneys become available for payment of the interest, (i) the Registrar shall establish a special record date (the "Special Record Date") for the payment of that interest, which Special Record Date shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment and (ii) the Registrar shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than 10 days prior to the Special Record Date and, thereafter, the interest shall be payable to the persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date. As used herein, "Predecessor Bond" means, with respect to any particular Bond, every previous Bond evidencing all or a portion of the same debt as that evidenced by the particular Bond. The Bonds shall mature on January 1 in the years and amounts as set forth in Section 3 hereof.

This Common Council hereby designates Summit Bank, as paying agent under this Bond Ordinance for the Bonds, as registrar for the Bonds for the purpose of keeping and maintaining the Register for the registration, exchange and transfer of the Bonds pursuant to this Bond Ordinance and as authenticating agent for the Bonds. Every successor Registrar appointed pursuant to the provisions of the Bond Registrar Agreement described in Section 20 hereof shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Indiana duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$50,000,000.



Section 5. The Bonds maturing on or after January 1, 1997 shall be subject to redemption prior to stated maturity, in whole or in part in inverse order of maturity, at a redemption price of 102% of the principal amount thereof, plus accrued interest to the redemption date, on any Interest Payment Date, commencing July 1, 1996.

The notice of the call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Registrar on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the Holder of each Bond subject to redemption in whole or in part at the Holder's address shown on the Register on the 15th day preceding that mailing; provided that no failure to receive notice by mailing, and no defect in that notice, as to any Bond shall affect the validity of the proceedings for the redemption of any Bond.

Notice having been mailed in the manner heretofore provided, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date and, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date.

If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest thereon to the redemption date, are held by the Paying Agent on the redemption date so as to be available therefor on that date and, if notice of redemption shall have been mailed in the manner heretofore provided, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding hereunder. If those moneys shall not be so available on the redemption date, or that notice shall not have been mailed as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All moneys deposited with and held by the Paying Agent for the redemption of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

Section 6. The Bonds shall be signed in the name of the City of Fort Wayne by the manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the City Controller and attested by the manual or facsimile signature of the Clerk, who shall affix the seal of said City to each of the Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or by any other means. The Bonds may, where appropriate, bear the manual or facsimile signatures of validly appointed Deputy officials. Subject to provisions for registration, the Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a charge upon all the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City, including the works heretofore constructed and all additions and improvements thereto and replacements thereof presently or subsequently constructed or acquired; subject, however, to the prior payment in accordance with the terms thereof, of the principal of and interest on the Outstanding Bonds payable from the revenues of the City's sewage works as hereinbefore set forth, said Outstanding Bonds being a first or second charge, as applicable, against said net revenues. The City shall not be obligated to pay the Bonds or the interest thereon except from the net revenues of said works, and the Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana.

Section 7. The form and tenor of the Bonds shall be substantially as provided in Exhibit A hereto, all blanks to be filled in properly prior to delivery thereof.



Section 8. So long as any of the Bonds remain outstanding, the City will cause books for the registration and transfer of Bonds, as provided herein, to be maintained and kept at the designated office of the Registrar. Bonds may be exchanged, at the option of their Holder, for Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being exchanged. The exchange shall be made upon presentation and surrender of the Bonds being exchanged at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar.

Any Bond may be transferred upon the Register, upon presentation and surrender thereof at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar. Upon transfer of any Bond and on request of the Registrar, the City shall execute in the name of the transferee, and the Registrar shall authenticate and deliver, a new Bond or Bonds in the name of the transferee, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds presented and surrendered for transfer.

In all cases in which Bonds shall be exchanged or transferred hereunder, the City shall execute, and the Registrar shall authenticate and deliver, Bonds in accordance with the provisions hereof. The exchange or transfer shall be made without charge to the Holder; provided that the City and the Registrar may make a charge for every exchange or transfer of Bonds which is sufficient in amount to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. Those charges shall be paid before a new Bond is delivered.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid special obligations of the City, evidencing the same debt, and entitled to the same benefits hereunder, as the Bonds surrendered upon transfer or exchange. Neither the City nor the Registrar shall be required to make any exchange or transfer of a Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of the mailing or to transfer or exchange any Bonds selected for redemption, in whole or in part.

In case any Bond is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Bond, the City shall cause execution of, and the Registrar shall authenticate and deliver, a new Bond or Bonds in Authorized Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Bond redeemed in part.

If any Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the City or the Registrar that a lost, wrongfully taken or destroyed Bond has been acquired by a bona fide purchaser, the City shall execute, and the Registrar shall authenticate and deliver, a new Bond of like date, maturity and denomination as the Bond mutilated, lost, wrongfully taken or destroyed; provided that (i) in the case of any mutilated Bond, the mutilated Bond first shall be surrendered to the Registrar and (ii) in the case of any lost, wrongfully taken or destroyed Bond, there first shall be furnished to the City and the Registrar evidence of the loss, wrongful taking or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them.

If any lost, wrongfully taken or destroyed Bond shall have matured, instead of issuing a new Bond, the City may direct the Registrar to pay that Bond without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Bond. The City and the Registrar may charge the Holder of a mutilated, lost, wrongfully taken or destroyed Bond their reasonable fees and expenses in connection with their actions pursuant to this Section.

Every new Bond issued pursuant to this Section by reason of any Bond being mutilated, lost, wrongfully taken or destroyed (i) shall constitute, to



the extent of the outstanding principal amount of the Bond lost, mutilated, wrongfully taken or destroyed, an additional contractual obligation of the City, regardless of whether the mutilated, lost, wrongfully taken or destroyed Bond shall be enforceable at any time by anyone and (ii) shall be entitled to all of the benefits of this Bond Ordinance equally and proportionately with any and all other Bonds issued and outstanding hereunder; provided that nothing in this paragraph shall limit the authority and right of the City to exercise its rights under the indemnity furnished at the time of issuance of a new Bond or payment of a Bond without surrender.

All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

Any Bond surrendered pursuant to this Section for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be cancelled upon presentation and surrender thereof to the Registrar or any Paying Agent. Any Bond cancelled by the Paying Agent shall be transmitted promptly to the Registrar by the Paying Agent.

The City may deliver at any time to the Registrar for cancellation any Bonds previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever. All Bonds so delivered shall be cancelled promptly by the Registrar. Certification of the surrender and cancellation shall be made to the City by the Registrar at least twice each calendar year.

Unless otherwise directed by the City, cancelled Bonds shall be promptly destroyed by the Registrar by shredding or incineration after their cancellation. Evidence of any destruction of cancelled Bonds shall be provided by the Registrar to the City upon written request.

In the event any Bond shall not be presented for payment when the principal or premium thereon becomes due in whole or in part, either at stated maturity, at the date fixed for redemption thereof or otherwise, or in the event any check or draft for interest on any Bond is uncashed, if moneys sufficient to pay the principal then due of that Bond or such check or draft shall have been made available to the Registrar for the benefit of its Holder, then all liability of the City to that Holder for payment of the principal then due of the Bond or of the interest represented by such check or draft shall cease and be completely discharged. Thereupon, it shall be the duty of the Registrar to hold those moneys, without liability for interest thereon, in a separate account for the exclusive benefit of the Holder of that Bond, who shall thereafter be restricted exclusively to those moneys for any claim of whatever nature on its part under this Bond Ordinance on, or with respect to, the principal or interest then due of that Bond or the interest represented by such check or draft.

Any of those moneys which shall be so held by the Registrar, and which remain unclaimed by the Holder of the Bond not presented for payment or a check or draft not cashed for a period of six years after that due date thereof, shall upon request in writing by the City be paid to the City free of any trust or lien. Thereafter, the Holder of that Bond shall look only to the City for payment and then only to the amounts so received by the City without any interest thereon, and the Registrar shall have no responsibility with respect to those moneys.

Section 9. The City Controller is hereby authorized and directed to have the Bonds prepared, and the Mayor, Clerk and City Controller are hereby authorized and directed to execute the Bonds, in the form and manner herein provided. The City Controller or the Clerk is hereby authorized and directed to deliver the Bonds to the purchaser thereof after sale made in accordance with the provisions of this Bond Ordinance, provided that at the time of said delivery the City Controller or the Clerk shall collect the full amount which the purchaser has agreed to pay therefor, which shall not be less than the face value of the Bonds, plus accrued interest from the date thereof to the date of delivery (the "Purchase Price"). The Bonds herein authorized, when



fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the net revenues of the City's sewage works to be set aside into the Sewage Works Sinking Fund as herein provided, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of acquisition, construction and installation of said additions and improvements to, and equipment for, the sewage works hereinbefore referred to, funding a debt reserve in the amount of \$570,000 and the payment of expenses necessarily incurred in connection therewith. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Bond Ordinance.

Section 10. Prior to the sale of the Bonds, the City Controller shall cause to be published notices pursuant to I.C. 5-1-11 and I.C. 5-3-1. A notice of sale may also be published one time in The Indianapolis Commercial, and a notice or summary notice may also be published in The Bond Buyer in New York, New York. The bond sale notice shall state either the time and place of sale or the manner in which the Bonds shall be sold and shall state the character and amount of the Bonds, the denominations of the Bonds, the dates of maturity of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller or the Clerk and the attorneys employed by the City shall deem advisable and any summary notice may contain any information deemed so advisable. Said notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check in the amount of Fifty Thousand Dollars (\$50,000) to guarantee performance on the part of the bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default; that bidders for the Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth ( $1/8$ ) or one-tenth ( $1/10$ ) of one percent (1%). No conditional bids will be considered. The opinion of Squire, Sanders & Dempsey, bond counsel of Columbus, Ohio, approving the legality of the Bonds, will be furnished to the purchaser at the expense of the City.

The Bonds shall be awarded by the City Controller to the bidder offering the lowest interest cost who has submitted his bid in accordance with the terms of this Bond Ordinance and the notice of sale. The lowest interest cost will be determined by computing the total interest on all of the Bonds from their date to their date of maturity and deducting therefrom the premium bid, if any, or adding thereto the amount of any discount, if any. The right to reject any and all bids shall be reserved. If no acceptable bid is received at the time fixed for sale of the Bonds, then the sale may be continued from day to day for a period not to exceed thirty (30) days without readvertising. During the continuation of the sale, no bid shall be accepted which offers an interest cost which is equal to or higher than the best bid received at the time fixed for the sale in the bond sale notice. The acceptability of a bid shall be within the sole discretion of the City.

The Mayor and the City Controller, and either of them, are directed to make the necessary arrangements on behalf of the City to establish the date, location, procedure and conditions for the delivery of the Bonds to the purchaser to the extent not provided for herein. Said officers are further directed to take all steps necessary to effect due authentication, delivery and perfection of the security of the Bonds under the terms hereof. It is hereby determined that the Purchase Price and the manner of sale and the terms of the Bonds, as provided in this Bond Ordinance, are consistent with all legal requirements and will carry out the public purposes specified in the Sewer Act.

Section 11. The accrued interest and premium received at the time of the delivery of the Bonds, if any, shall be deposited in the Sewage Works Sinking Fund (the "Sewage Works Sinking Fund") heretofore created by Ordinance No. 1939, adopted July 26, 1938 and continued by the ordinances authorizing the issuance of the Outstanding Bonds. Bond proceeds in the amount of \$570,000 will be deposited, pursuant to the advice of the City's financial advisor that such funding is a necessary expense of financing the works under I.C. 36-9-23-11 and the inclusion of that funding in the engineer's estimate



of the cost of the works, in a separate account (the "Sewage Works Reserve Account") in the Sewage Works Sinking Fund, which sum will be held as a debt service reserve therein and credited to the City's obligation thereunder to accumulate net revenues therein as a margin of safety. Said financial advisor has also advised the City that such reserve is reasonably required in order to enhance the marketability of the Bonds and that, without this reserve, the Bonds would be unmarketable or the interest rate demanded by investors would affect the economic feasibility of the project. To the extent that the amount in the Sewage Works Reserve Account applicable to the Bonds exceeds the Sewage Works Reserve Requirement for the Bonds, such excess may be transferred to the Sewage Works Operation and Maintenance Fund or, if the Sewage Works Operation and Maintenance Fund is funded in accordance with the requirements of Section 13 hereof, to the Sewage Works Improvement Fund. The remaining proceeds from the sale of the Bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Fort Wayne, 1986 Sewage Works Construction Fund" (the "1986 Sewage Works Construction Fund"). All funds deposited to the credit of said Sewage Works Sinking Fund or 1986 Sewage Works Construction Fund shall be deposited, held, secured or invested in Eligible Investments and in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly I.C. 5-13-1, and the acts amendatory thereof and supplemental thereto; provided that any investment of monies in the Sewage Works Sinking Fund (other than the Sewage Works Reserve Account) shall mature on or before the time the monies will be required to pay any debt service; provided, further, that all amounts representing accrued and capitalized interest shall be held by the City, pledged solely to the payment of interest and invested only in Government Obligations. In computing the amount in any fund or account, investments shall be valued at the market value of such obligations, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur semi-annually and immediately upon a withdrawal from the Sewage Works Reserve Account. If amounts on deposit in the Sewage Works Reserve Account shall, at any time, be less than the applicable requirement set forth in Section 12 hereof, such deficiency shall be made up over a twelve (12) month period. The depository or depositories for said Sewage Works Sinking Fund and 1986 Sewage Works Construction Fund shall be a bank which shall be a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation, or like organizations having similar powers and duties. The funds in said special account or accounts shall be expended only for the purpose of paying the cost of the sewage works, as defined in I.C. 36-9-1-8 and 36-9-23, or as otherwise required by the Sewer Act, for funding a debt reserve in the amount of \$570,000 or for the expenses of issuance of the Bonds. The cost of obtaining the opinion the Squire, Sanders & Dempsey shall be considered as a part of the cost of the project on account of which the Bonds are issued, and shall be paid out of the proceeds of the Bonds or out of the revenues of the sewage works.

The Common Council authorizes the insurance of the Bonds with a municipal bond insurance company if the City Controller, acting on the advice of the City's financial consultant, finds such insurance advisable and a necessary expense of financing the sewage works. The cost of obtaining said insurance shall be considered as a part of the cost of the project on account of which the Bonds are issued, and shall be paid out of the proceeds of the Bonds or out of other funds of the sewage works.

The City hereby covenants that it will restrict, and take such actions as are reasonably necessary to restrict, the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Bonds, so that the Bonds will not constitute arbitrage bonds under Section 103(c) of the Internal Revenue Code and the applicable income tax regulations under that Section. The City Controller of the City or any other officer having responsibility for issuing the Bonds is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee or consultant of the City, to give an appropriate certificate of the City, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the City regarding the amount and use of all such proceeds and the facts and estimates on which they are based, all as the date of delivery of and payment for the Bonds. The City Clerk of the City shall furnish to the original purchaser a true transcript, certified by the City Clerk of the City, of all proceedings had with reference to the issuance of the Bonds along with such other information from the records of



information from the records of the City as is necessary to determine the regularity and validity of the issuance of the Bonds.

The City covenants that it will take all actions that may be required of the City for the interest on the Bonds to be and remain exempt from federal income tax, and will not take any actions which would adversely affect such exemption, under the provisions of federal tax laws that apply to the Bonds, and also under the provisions of H.R. 3838, as passed by the U.S. House of Representatives on December 17, 1985, but with the effective date stated for certain provisions thereof listed in the March 14, 1986 Joint Statement by the chairmen and ranking minority members of the House Committee on Ways and Means and the Senate Committee on Finance and the Secretary of the Treasury, until and unless, and except to the extent, with respect to H.R. 3838, the City obtains a written opinion of nationally recognized bond counsel that this covenant, as it pertains to H.R. 3838, need not be complied with in order for the interest on the Bonds to continue to be exempt from federal income taxation; and the City Controller and other appropriate officers are hereby authorized to take such actions and give such certifications as may be appropriate to assure such tax exemption of the interest.

Any balance or balances remaining unexpended in the 1986 Sewage Works Construction Fund after completion and acquisition of the works and the payment of all issuance expenses for the Bonds which are not required to meet unpaid obligations incurred in connection with such construction, acquisition and issuance, shall be paid into the Sewage Works Sinking Fund and shall be used solely for the purposes of said fund.

Section 12. The special fund designated "Sewage Works Sinking Fund" created by Ordinance No. 1939, adopted on July 26, 1938, and continued for the payment of the Outstanding Bonds, is hereby designated as the special fund for the payment of the interest on and principal of the Bonds authorized by this Bond Ordinance and the payment of any fiscal agency charges in connection with the payment of the Bonds and interest thereon. The Sewage Works Sinking Fund shall be continued until all of the bonds issued under said prior ordinances and this Bond Ordinance have been paid. There shall be set aside and paid into the Sewage Works Sinking Fund three business days prior to the first day of each calendar month, as available, or more often if necessary, a sufficient amount of the net revenues of said sewage works for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Refunded Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (b) the necessary fiscal agency charges for paying said bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works as they fall due; provided, however, that credit shall be given for principal payable on any Refunded Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund and (e) any amounts necessary to maintain a balance in the Sewage Works Reserve Account equal to the Sewage Works Reserve Requirement. The term "net revenues" as used in this section shall be construed to mean the gross revenues for any calendar year after deduction only for the reasonable cost of operation, maintenance and repair. The monthly payments into the Sewage Works Sinking Fund shall be in an amount equal to at least one-twelfth (1/12) of the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as the Sewage Works Sinking Fund shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the dates of maturity thereof. In addition to said required monthly payments into the Sewage Works Sinking Fund, all of the net revenues of said sewage works not used in making said required sinking fund payments shall be set aside and paid into the Sewage Works Sinking Fund monthly, as available, until there has been accumulated in the Sewage Works Sinking Fund, over and above said required payments but including the funded reserves and investment income thereon, an amount equal to the sum of the principal of and interest on all then outstanding bonds which will be payable during the then next succeeding twelve (12) calendar months. The Sewage Works Sinking Fund shall be maintained at such levels, and additional amounts of net revenues shall be deposited in the Sewage Works Sinking Fund to the extent necessary to maintain such levels.



In no event shall any part of the Sewage Works Sinking Fund be used in purchasing bonds, except to the extent that the amount then in the Sewage Works Sinking Fund (other than the Sewage Works Reserve Account) exceeds the amount required to pay the principal of the bonds payable therefrom which will mature within a period of twelve (12) calendar months next following the date of such purchase, together with all interest on the bonds payable. Any such excess of funds above said required levels may be used in purchasing outstanding bonds at a price less than the applicable price at maturity, if first approved by the Board of Public Works and Safety. Moneys in the Sewage Works Sinking Fund shall not be used for any other purpose whatsoever except as provided in this Bond Ordinance.

If the City shall, for any reason, fail to pay into the Sewage Works Sinking Fund the full amount and at the respective times above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Sewage Works Sinking Fund from the first available revenues and the same shall be in addition to the minimum amounts otherwise herein provided to be so set apart and paid.

Withdrawals shall be made from the Sewage Works Sinking Fund and remitted to the places of payment of the interest and principal to meet such payments when due.

The Sewage Works Sinking Fund, as aforesaid, shall be used solely and only and is hereby pledged for the purpose of paying principal of and interest on the bonds which by their terms are payable from said funds. Upon the delivery of said bonds and the receipt of the proceeds, all sums received as accrued interest and premium, if any, shall be placed in the Sewage Works Sinking Fund.

Section 13. In the event that all required payments into the Sewage Works Sinking Fund have been met to date and there has been accumulated as a reserve in said Sewage Works Sinking Fund, including the bond proceeds deposited, over and above said payments, an amount equal to the respective sums required by Section 12, and there has been accumulated an amount in a separate fund (the "Sewage Works Operation and Maintenance Fund") sufficient for operation, repair and maintenance of the work for the then next succeeding twelve (12) calendar months, and for depreciation, then any excess revenues of the works available may be placed in the Sewage Works Improvement Fund (the "Sewage Works Improvement Fund"). Moneys in the Sewage Works Improvement Fund may be used to pay the costs of improvements, betterments, extensions, enlargements and additions to the works. No revenues of the works shall be deposited in or credited to the Sewage Works Improvement Fund which will interfere with the requirements of the Sewage Works Sinking Fund, the accumulation of the required reserve therein, or with the requirements as to reserving funds for the operation, maintenance and repair of the works and for depreciation. All or any portion of the funds accumulated and reserved for operation, repair and maintenance for the then next succeeding twelve (12) calendar months in the Sewage Works Operation and Maintenance Fund shall be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the bonds payable from the Sewage Works Sinking Fund.

Section 14. All revenues received on account of the sewage works shall be segregated and kept in a special fund separate and apart from all other funds of the City. Out of this fund the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid and the requirements of the Sewage Works Sinking Fund shall be met. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made and showing (i) all revenues collected from said works and deposited in said fund, (ii) all disbursements made therefrom on account of the operation of the works, and to meet the requirements of the Sewage Works Sinking Fund, (iii) all other financial transactions relating to said works, including the amounts set aside or credited to the Sewage Works Sinking Fund, the Sewage Works Operation and Maintenance Fund and the Sewage Works Improvement Fund, and (iv) the cash balance in each of said funds as of the close of the preceding fiscal year. There shall be prepared and furnished, upon written request, to the original purchaser of the Bonds, and to any Holder of the Bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, income and expense and balance sheet statements of the works,



covering the preceding fiscal year, which annual statements shall be certified by the City Controller, or the person charged with the duty of auditing the books and records relating to said works, or by licensed independent public accountants employed for that purpose. Copies of all such statements and reports shall be kept on file in the office of the City Controller. Any Holder or Holders of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Section 15. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by said works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewerage system of the City, or that in any way uses or is served by such works; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund by the Sewer Act and this Bond Ordinance; and that such rates or charges shall be sufficient in each year to produce net revenues, as defined in Section 12 of this Bond Ordinance, equal to 1.1 times the greater of the average annual debt service on the Bonds and all bonds on a parity therewith or the debt service payable during the next succeeding twelve calendar months on the Bonds and all bonds on a parity therewith. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, depreciation and the requirements of the Sewage Works Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof, and shall be paid semi-annually by the City or the various departments thereof as the charges accrue.

Section 16. Bonds shall be deemed to have been paid and discharged and shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the City's sewage works if:

(1) There shall be held in trust for and irrevocably committed therein, sufficient moneys, or

(2) There shall be held in trust for and irrevocably committed thereto, noncallable direct obligations of the United States of America certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates and to bear such interest as will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which are likewise to be held in trust and committed, except as hereinafter provided), together with moneys referred to in clause (1),

for the payment, at the maturity date of those Bonds, of the principal thereof, together with the interest thereon accrued to the date of maturity, or if default in that payment shall have occurred on that date then to the date of the tender of that payment.

Any moneys held in accordance with the provisions of this Section shall be invested, upon written direction of the City, only in noncallable direct obligations of the United States of America, the maturities or redemption dates of which, at the option of the holder, shall, to the extent necessary to comply with clause (2) above, coincide as nearly as practicable with, but not later than, the time or times at which those moneys will be required for the aforesaid purposes. Any income or interest earned by, or increment to, the investments held under this Section shall, to the extent certified from time to time by an independent public accounting firm of national reputation to be in excess of the amount required to be held by it for the purposes of this Section, be transferred at the time of that determination to the City free of any trust or lien.

If the Bonds shall be deemed paid and discharged pursuant to this Section, then within 15 days after such Bonds are so deemed paid and



discharged the City shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state that all Bonds are deemed paid and discharged, set forth a description of the obligations held pursuant to clause (2) of the first paragraph of this Section.

Section 17. The City covenants that it will not issue any more bonds on a parity with the Refunded Bonds and that it will not issue any variable rate bonds on a parity with the Refunding Bonds or, so long as the Bonds are outstanding, any bonds on a parity with the Refunding Bonds. The City reserves the right, however, to authorize and issue additional bonds, payable out of the revenues of its sewage works, ranking on a parity with the Bonds authorized by this Bond Ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with the terms thereof.

(b) As of the date of issuance of such additional bonds, the balance in the Sewage Works Sinking Fund shall equal not less than the Sewage Works Reserve Requirement calculated to include principal and interest requirements on the Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued.

(c) The net revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Bonds authorized by this Bond Ordinance shall be not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued; provided, however, that in any year in which the final maturity of a series of bonds occurs, annual interest and principal requirements may be reduced for the purposes of this subsection by the balance in the Sewage Works Reserve Account allocable thereto. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose, who shall certify that he has no pecuniary interest in said additions, extensions or improvements or the financing thereof in any way whatsoever other than to analyze the records of said sewage works and to prepare said showings.

(d) The principal of said additional parity bonds shall be payable on January 1 and the interest on said additional parity bonds shall be payable semi-annually on January 1 and July 1 in the years in which such principal and interest are payable.

(e) Any term bonds issued on a parity with the Bonds shall have sinking fund amortization such that the principal and interest due on the Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued is substantially level over the term of all such parity bonds.

Section 18. For the purpose of further safeguarding the interests of the Holders of the Bonds herein authorized, it is specifically provided as follows:



(a) All contracts let or hereafter to be let by the City in connection with the construction of any additions and improvements to the sewage works shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Any additions and improvements shall be constructed under the supervision of the City's engineers. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) The City shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as net revenues of the works.

(e) So long as any of the Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete.

(f) Except as hereinbefore provided in Section 17 hereof, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are retired or defeased pursuant to Section 16 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The City shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, cause all such sanitary sewers to be connected with said sewage works.

(h) The provisions of this Bond Ordinance shall constitute a contract by and between the City of Fort Wayne and the Holders of the Bonds herein authorized, and after the issuance of the Bonds, this Bond Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the Holders of the Bonds, nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such Holders so long as any of the Bonds or the interest thereon remain unpaid. Nothing in Section 19 hereof shall be construed as violating this provision.



(i) The provisions of this Bond Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds authorized for the uses and purposes herein set forth, and the Holders of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Bond Ordinance and of the Sewer Act. The provisions of this Bond Ordinance shall also be construed to create a trust in the portion of the net revenues herein directed to be set apart and paid into the Sewage Works Sinking Fund for the uses and purposes of said fund as in this Bond Ordinance set forth. The Holders of the Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Sewer Act hereinbefore referred to, including the right to have a receiver appointed to administer said sewage works, in the event of default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this Bond Ordinance or the Sewer Act.

Section 19. Subject to the terms and conditions contained in this section, and not otherwise, the Holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the Bonds issued pursuant to this Bond Ordinance and then outstanding shall have the right, from time to time, anything contained in this Bond Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Bond Ordinance, or in any supplemental ordinance; provided, however, that nothing contained herein shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Bond Ordinance; or

(b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by this Bond Ordinance; or

(d) A preference or priority of any Bond or Bonds issued pursuant to this Bond Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Bond Ordinance; or

(e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance.

The Holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City. No Holder of any Bond issued pursuant to this Bond Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Bond Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Ordinance of the City and all Holders of Bonds issued pursuant to the provisions of this Bond Ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this Bond Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the



foregoing provisions of this Bond Ordinance, the rights and obligations of the City and of the Holders of the Bonds authorized by this Bond Ordinance, and the terms and provisions of the Bonds and this Bond Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the Holders of all the Bonds issued pursuant to this Bond Ordinance then outstanding.

Section 20. The Mayor and the City Controller of the City are each hereby authorized and directed to complete and execute, on behalf of the City and in their official capacities, a Bond Registrar Agreement, between the City and the Registrar, substantially in the form presented to the Common Council but containing such provisions and with such modifications, changes and supplements as are necessary or desirable for the purposes thereof as such officers shall approve.

If in the judgment of the Mayor and the City Controller a disclosure document in the form of an official statement is appropriate or necessary in connection with the original issuance of the Bonds, each or both of those officers in their official capacities are authorized to prepare or cause to be prepared on behalf of the City an official statement and any necessary supplements thereto, and on behalf of the City to use and distribute, or authorize the use and distribution of, that official statement and any supplements thereto in connection with the original issuance of the Bonds, and to sign on behalf of the City and in their official capacities, that official statement and any supplements thereto approved by those officers. Those officers are each authorized to sign and deliver, on behalf of the City and in their official capacities, such certificates in connection with the accuracy of the official statement and any supplements thereto as may, in their judgment, be necessary or appropriate.

Section 21. The sewage works rates and charges will be established pursuant to a separate ordinance of this Common Council to be passed at approximately the same time as this Bond Ordinance.

Section 22. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that this Bond Ordinance shall not be deemed in any way to repeal, amend, alter or modify the ordinances authorizing the issuance of the Outstanding Bonds, nor be construed as adversely affecting the rights of the holders of the aforementioned Outstanding Bonds.

Section 23. This Bond Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

  
Councilman

Approved as to form and legality this 21<sup>st</sup> day of July, 1986.

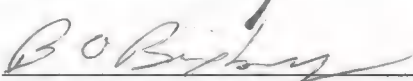
  
Bruce O. Boxberger, City Attorney



EXHIBIT A

[FORM OF FACE OF BOND]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$

CITY OF FORT WAYNE  
SEWAGE WORKS REVENUE BOND OF 1986

Interest Rate: \_\_\_\_\_ Maturity Date: \_\_\_\_\_ Dated as of: \_\_\_\_\_ CUSIP: \_\_\_\_\_  
\_\_\_\_\_% per annum

Registered Owner:

Principal Amount:

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Amount specified above on the aforesaid Maturity Date, and to pay from that special revenue fund interest thereon at the aforesaid Interest Rate on the first days of January and July in each year (the "Interest Payment Dates") commencing July 1, 1987, until the Principal Amount is paid or duly provided for. This Bond will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date.

The principal of and any premium on this Bond are payable upon presentation and surrender hereof at the principal office of the Paying Agent, presently \_\_\_\_\_ (the "Paying Agent"). Interest is payable on each Interest Payment Date by check or draft mailed to the person in whose name this Bond (or one or more predecessor bonds) is registered (the "Holder") at the close of business on the 15th business day of the calendar month next preceding that Interest Payment Date (the "Regular Record Date") on the registration books for this issue maintained by \_\_\_\_\_, as Registrar (the "Registrar"), at the address appearing therein. Any interest which is not timely paid or duly provided for shall cease to be payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date, and shall be payable to the Holder hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Registrar for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than ten days prior thereto. The principal of and interest on this Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent.

This Bond is one of an authorized issue of Sewage Works Revenue Bonds of 1986 (the "Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total principal amount of Five Million Seven Hundred Thousand Dollars (\$5,700,000), issued for the purpose of providing funds to be applied to the cost of additions and improvements to, and equipment for, the City's sewage works, including the funding of a debt reserve in the amount of \$570,000 and the cost of issuance, as authorized by an ordinance (the "Bond Ordinance") adopted by the Common Council of the City of Fort Wayne on the 22nd day of July, 1986, entitled "An Ordinance concerning the construction of additions and improvements to, and the



acquisition of equipment for, the sewage works of the City of Fort Wayne, the issuance of junior revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue bonds, and other matters connected therewith and for repealing ordinances inconsistent therewith" and in strict compliance with the provisions of I.C. 36-9-23 (the "Sewer Act").

This Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH HERE.



It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this Bond have been done and performed in regular and due form as provided by law.

Date of        This Bond is one of  
Registra-    the Bonds described  
tion and     in the within-men-  
Authenti-   tioned Bond  
cation:     Ordinance.  
\_\_\_\_\_

Registrable at:

Payable by:

IN WITNESS WHEREOF,  
the City of Fort Wayne,  
in Allen County, State  
of Indiana, has caused  
this Bond to be exe-  
cuted in its corporate  
name by the manual or  
facsimile signature  
of the Mayor of the  
City, countersigned  
by the manual or fac-  
simile signature of  
the City Controller,  
its corporate seal to  
be hereunto affixed  
manually, or imprinted  
or impressed thereon by  
facsimile or by any  
other means, and at-  
tested manually or by  
facsimile by its Clerk  
as of the \_\_\_\_\_ day of  
\_\_\_\_\_, 1986.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Registrar

By: \_\_\_\_\_  
Authorized  
Officer

CITY OF FORT WAYNE,  
INDIANA

By (facsimile)  
Mayor

Attest:

Countersigned:

(facsimile)  
Clerk

(facsimile)  
City Controller

(FACSIMILE OF SEAL)



[FORM OF REVERSE SIDE OF BOND]

Reference is hereby made to the Bond Ordinance for a more complete description of the nature and extent of the security for the Bonds, the rights, duties and obligations of the Holders, the Registrar, the Paying Agent and the City, and the terms and conditions upon which the Bonds are issued and secured, to all of the provisions of which Bond Ordinance each Holder, by the acceptance hereof, assents. A copy of the Bond Ordinance is on file in the office of the Clerk of the City.

Pursuant to the provisions of the Sewer Act and the Bond Ordinance, the principal and interest of this Bond and all other Bonds of said issue, and any bonds ranking on a parity therewith, are payable solely from moneys held in the Sewage Works Sinking Fund heretofore created by Ordinance No. 1939, adopted July 26, 1938 (the "Sewage Works Sinking Fund") to be provided from the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City of Fort Wayne, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the City's Sewage Works Improvement Revenue Bonds, dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand Dollars (\$640,000), the City's Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), the City's Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), the City's Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1985, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), the City's Sewage Works Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), the City's Sewer Connection Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000) (collectively, the "Refunded Bonds"), and the City's Sewer Works Revenue Refunding Bonds, initially dated as of December 18, 1985, in the original principal amount of \$18,096,275.15 (the "Refunding Bonds"; collectively with the Refunded Bonds, the "Outstanding Bonds"). The Refunded Bonds are of equal priority and are payable annually over a period ending on August 1, 2000 and the Refunding Bonds are junior only to the Refunded Bonds and are payable annually over a period ending on August 1, 2005. This Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Bond or the interest thereon except from said special fund provided from said net revenues.

Subject to the prior servicing of the Outstanding Bonds, the City of Fort Wayne irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal of and interest on the Bonds authorized by the Bond Ordinance, of which this is one, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to provide for proper depreciation, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund under the provisions of the Sewer Act and the Bond Ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges,



or if there be a default in the payment of the interest on or principal of this Bond, the Holder of this Bond shall have all of the rights and remedies provided for in the Sewer Act and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Bond and the interest hereon.

The City of Fort Wayne further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on all bonds payable from the revenues of said sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Refunded Bonds, so long as sufficient funds are available under the Escrow Agreement (as defined in the Bond Ordinance) for the payment thereof, (b) the necessary fiscal agency charges for paying said bonds and interest, (c) the principal of all bonds payable from the revenues of said sewage works, as such principal shall fall due; provided, however, that credit shall be given for principal payable on any Refunded Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund together with (e) other sums to be held as reserves as provided in the Bond Ordinance. Such required payments shall constitute a charge upon all the net revenues of said works; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds.

If any Bond shall not be presented for payment of principal on the date fixed therefor, or in the event any check or draft for interest on any Bond is uncashed, the City may deposit in trust with the Registrar an amount sufficient to pay the principal then due of that Bond or such check or draft, as the case may be, and thereafter the Holder shall look only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Bond and all other Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Bonds maturing on or after January 1, 1997 are subject to optional redemption prior to stated maturity, pursuant to first class mailed notice thereof given 30 days prior to the redemption date, at the direction of the City either in whole or in part in integral multiples of \$5,000 on any Interest Payment Date, commencing July 1, 1996, at the redemption price of 102% of the principal amount redeemed.

If less than all of the outstanding Bonds are called for redemption at one time, they shall be called in inverse order of the maturities of the Bonds outstanding, and if less than all Bonds of a single maturity are to be redeemed, the selection of Bonds or portions thereof to be redeemed shall be made by lot by the Paying Agent in any manner selected by it. If Bonds or portions thereof are called for redemption and if on the redemption date moneys for the redemption thereof, together with interest thereon accrued to that date, are held by the Paying Agent and available therefor, then from and after that date the Bonds or portions thereof called for redemption shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Bond Ordinance.



To the extent and in the manner permitted by the terms of the Bond Ordinance, any of the terms or provisions contained in the Bond Ordinance, or in any supplemental ordinance, may be modified, altered, amended, added to or rescinded by the adoption by the City of such ordinance or ordinances supplemental to the Bond Ordinance as are deemed necessary or desirable by the City with the consent of the Holders of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the then outstanding Bonds. No such action shall result in (i) an extension of the maturity of the principal of or interest on any Bond, (ii) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, (iii) the creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by the Bond Ordinance, (iv) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) a reduction in the aggregate principal amount of the Bonds required for consent to a supplemental ordinance.

The Bonds are issuable only as fully registered bonds in the principal amounts of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). The Bonds are exchangeable for Bonds of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing, upon presentation and surrender hereof to the Registrar. The Registrar is not required to transfer or exchange (i) any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (ii) any Bonds so selected for redemption in whole or in part.

[LEGAL OPINION]

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_ the within Bond and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer that Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

The social security number, taxpayer identification number, or other identifying number of the assignee is to be inserted in the box.



Read the first time in full and on motion by Redd, seconded by Stier, and duly adopted, read the second time by title and referred to the Committee Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., E.S.T.

DATE: 4-8-86 Sandra E. Kennedy  
SANDRA E. KENNEDY - CITY CLERK

Read Read the third time in full and on motion by Stier seconded by E. Stier, and duly adopted, placed on its passage. PASSED (LST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT</u>
<u>TOTAL VOTES</u>	<u>9</u>	_____	_____	_____	_____
<u>BRADBURY</u>	<u>✓</u>	_____	_____	_____	_____
<u>BURNS</u>	<u>✓</u>	_____	_____	_____	_____
<u>EISBART</u>	<u>✓</u>	_____	_____	_____	_____
<u>GIAQUINTA</u>	<u>✓</u>	_____	_____	_____	_____
<u>HENRY</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHMIDT</u>	<u>✓</u>	_____	_____	_____	_____
<u>REDD</u>	<u>✓</u>	_____	_____	_____	_____
<u>STIER</u>	<u>✓</u>	_____	_____	_____	_____
<u>TALARICO</u>	<u>✓</u>	_____	_____	_____	_____

DATE: 7-22-86 Sandra E. Kennedy  
SANDRA E. KENNEDY - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (~~ZONING MAP~~) (~~GENERAL~~) (~~ANNEXATION~~) (~~SPECIAL~~) (~~APPROPRIATION~~) ORDINANCE (RESOLUTION) NO. 2-114-86 on the 22nd day of July, 1986

ATTEST, (SEAL)  
Sandra E. Kennedy Samuel J. Talarico  
SANDRA R. KENNEDY - CITY CLERK PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 23rd day of July, 1986, at the hour of 11:00 o'clock A.M., E.S.T.

Sandra E. Kennedy  
SANDRA E. KENNEDY - CITY CLERK

Approved and signed by me this 23rd day of July 1986, at the hour of 3:00 o'clock P.M., E.S.T.

Win Moses, Jr.  
WIN MOSES, JR., MAYOR



## SPECIAL ORDINANCE NO. S-\_\_\_\_\_

An Ordinance concerning the construction of additions and improvements to the sewage works of the City of Fort Wayne, the issuance of junior revenue bonds to provide funds for the cost thereof and for the refunding of bond anticipation notes of the City, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue bonds, and other matters connected therewith and repealing ordinances inconsistent therewith

WHEREAS, the City of Fort Wayne (the "City") has heretofore established, constructed and financed sewage works pursuant to Chapter 61 of the Acts of the Indiana General Assembly for the year 1932 (Special Session), and now owns and operates said sewage works pursuant to I.C. 36-9-23 (the "Sewer Act"); and

WHEREAS, the Common Council of the City of Fort Wayne, Indiana, now finds that said sewage works is in need of certain additions and improvements; that plans and specifications for said additions and improvements have been approved by the Common Council and by all governmental authorities having jurisdiction, particularly the Stream Pollution Control Board of the State of Indiana; and

WHEREAS, the Common Council finds that the Board of Public Works and Safety has advertised for and received bids for the construction of said additions and improvements; that said bids are subject to the City's determination to construct said works and subject to the City's obtaining funds to pay for said works; that on the basis of said bids the cost of said works to be financed by junior revenue bonds, as outlined at I.C. 36-9-23-11, including funded reserves and estimated incidental expenses, is in the amount of \$5,700,000; and

WHEREAS, the Common Council finds that the cost of said additions and improvements cannot be provided for out of funds of the sewage works now on hand or to be received prior to the completion thereof; that funds to apply on the cost should be provided by the issuance of junior revenue bonds payable solely out of the net revenues of the City's sewage works; that the financial advisor to the City of Fort Wayne has advised that reserves in the amount of \$\_\_\_\_\_ funded by bond proceeds are necessary expenses in financing the works and that the engineer has included those reserves in the estimate of the aforementioned cost of the works; and

WHEREAS, pursuant to Ordinance No. \_\_\_\_\_ passed \_\_\_\_\_, 1985, notes in anticipation of bonds in the amount of \$2,000,000, dated December 30, 1985 (the "Notes"), were issued for the purpose stated in Section 2, to mature on July 1, 1986; and

WHEREAS, this Common Council finds and determines it to be in the best interest of the City to retire at maturity the outstanding Notes with the proceeds of the bonds described in Section 3 and to provide an additional \$3,700,000 for the purpose stated in Section 2; and

WHEREAS, the Common Council finds that there are now outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds" (the "1959 Bonds"), dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand (\$640,000), bearing interest at the rates of three and seven-eighths percent (3-7/8%) or three and one-quarter percent (3-1/4%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1990, inclusive, which bonds constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1961" (the "1961 Bonds"), dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), bearing interest at the rate of three and three-quarters percent



(3-3/4%) per annum, maturing on August 1 in the years 1986 to 1993, inclusive, which bonds are on a parity with the 1959 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1970" (the "1970 Bonds"), dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), bearing interest at the rates of six and seven-tenths percent (6.7%), six and nine-tenths percent (6.9%) or seven percent (7.0%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1995, inclusive, which bonds are on a parity with the 1959 Bonds and the 1961 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1975" (the "1975 Bonds"), dated January 1, 1975, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), bearing interest at the rates of six and five-tenths percent (6.5%), six and seven-tenths percent (6.7%) or five percent (5%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1997, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds and the 1970 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Revenue Bonds of 1982" (the "1982A Bonds"), dated July 1, 1982, now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), bearing interest at the rates of twelve and three hundred seventy-five one-thousandths percent (12.375%), twelve and four-tenths percent (12.4%), twelve and six-tenths percent (12.6%) or twelve and seventy-five one-hundredths percent (12.75%) per annum, depending on the maturities, maturing on August 1 in the years 1996 to 2000, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds, the 1970 Bonds and the 1975 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewer Connection Revenue Bonds of 1982" (the "1982B Bonds"), dated July 1, 1982, now outstanding in the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000), bearing interest at the rates of twelve percent (12%), twelve and twenty-five one-hundredths percent (12.25%), twelve and twenty one-hundredths percent (12.20%) and twelve and three hundred seventy-five one-thousandths percent (12.375%) per annum, depending on the maturities, maturing on August 1 in the years 1985 to 1998, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds, the 1970 Bonds, the 1975 Bonds and the 1982A Bonds (collectively, the "Refunded Bonds") and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued to refund the Refunded Bonds designated "Sewer Works Revenue Refunding Bonds" (the "Refunding Bonds"), initially dated December 18, 1985, in the original principal amount of \$18,096,275.15, bearing interest at various rates, maturing February 1 and August 1 of each year from 1989 through 2000 and on August 1, 2005, which bonds are junior to the Refunded Bonds (collectively, the Refunded Bonds and Refunding Bonds are referred to herein as the "Outstanding Bonds") and also constitute a second charge upon the net revenues of the sewage works; and

WHEREAS, the ordinances authorizing the issuance of the Outstanding Bonds require that, unless certain conditions are met, any bonds subsequently issued be junior and subordinate to the Outstanding Bonds in respect to the application of the revenues of said sewage works; and



WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said junior revenue bonds have been complied with in accordance with the provisions of the Sewer Act; now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA THAT:

Section 1. In addition to the words and terms elsewhere defined in the proceedings, the following words and terms as used in this ordinance (the "Bond Ordinance") and in the Bonds authorized and defined in Section 3 hereof shall have the following meanings unless otherwise provided therein and unless the context or use indicates another or different meaning or intent:

"Authorized Denominations" means the denomination of \$5,000 or any integral multiple thereof.

"Bonds" means the \$5,700,000 City of Fort Wayne Sewage Works Revenue Bonds of 1986 authorized in Section 3 hereof.

"Eligible Investments" means:

1. Direct and general obligations of the United States of America, or obligations which are unconditionally guaranteed as to principal and interest by the United States of America.

Also permitted are evidences of ownership of proportionate interests in future interest and principal payments of the above United States Obligations. Investments in these proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

2. Obligations issued or guaranteed by the instrumentalities or agencies of the United States of America described below:

- (a) Federal Home Loan Bank System;
- (b) Export-Import Bank of the United States;
- (c) Federal Financing Bank;
- (d) Government National Mortgage Association;
- (e) Farmers Home Administration;
- (f) Federal Home Loan Mortgage Company;
- (g) Federal Housing Administration;
- (h) Private Export Funding Corp;
- (i) Tennessee Valley Authority.

3. Pre-refunded municipal obligations meeting the following conditions:

(a) the municipal obligations shall not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;



(b) the municipal obligations are secured by cash or Eligible Investments described in No. 1 ("United States Obligations"), which cash or United States Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;

(c) the principal and interest of the United States Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;

(d) the United States Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and

(e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

4. Direct and general long-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by Moody's Investors Service ("Moody's") or Standard and Poor's Corporation ("S&P") (if rated at all).

5. Direct and general short term obligations of any state of the United States described in No. 4 above which are rated in the highest rating category by Moody's and S&P (if rated at all).

6. Interest bearing demand or time deposits with or certificates of deposit issued by a national banking association or a state bank or trust company which is a member of the Federal Deposit Insurance Corporation ("FDIC") or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation ("FSLIC") which are (a) continuously and fully insured by the FDIC or the FSLIC, or (b) with a bank which has outstanding debt, or which is a subsidiary of a one-bank holding company which has outstanding debt, rated at least P-1 by Moody's or at least A-1 by S&P, or (c) continuously and fully secured by obligations of the type described in Nos. 1 and 2 above which have a market value at all times at least equal to the principal amount of the deposit and which are held by the depository of the funds being invested or its agent or, in the case of bookentry securities, are registered in the name of the depository of the funds being invested as pledgee. The depository of the funds being invested should have a perfected first lien in the United States Obligations serving as collateral, and such collateral must be free from all third party liens.

7. Long term or medium-term corporate debt guaranteed by any corporation which is rated by Moody's and S&P in their two highest rating categories.

8. Repurchase agreements, the maturity of which is less than 30 days, entered into (a) with a bank or trust company organized under the laws of any state of the United States or with a national banking association, insurance company, or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of the Security Investors Protection Corporation or (b) with a dealer which is rated, or the parent holding company of which is rated, investment grade by Moody's or S&P. The repurchase agreement must be continuously and fully secured by obligations of the type described in No. 1 or No. 2 above which have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreement and which are held by the depository of the funds being invested or its agent or, in the case of



bookentry securities, are registered in the name of the depository of the funds being invested as pledgee. The depository of the funds being invested should have a perfected first lien in, and retain possession of, the collateral. The obligations serving as collateral must be free from all third party claims.

9. Prime commercial paper of a United States corporation, finance company or banking institution rated "P-1", or "A-1" by Moody's or S&P, respectively.

10. Public housing bonds issued by public agencies. These bonds must be fully secured by a pledge of annual contributions under a contract with the United States government; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States; or state or public agency or municipality obligations rated in the highest rating category by a nationally recognized bond rating agency.

"Escrow Agreement" means the Escrow Agreement, dated as of November 1, 1985, between the City and Summit Bank, as escrow trustee.

"Government Obligations" means (i) direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, and (ii) pre-refunded municipal obligations meeting the following criteria:

- (a) the municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;
- (b) the municipal obligations are secured by cash or securities described in subparagraph (i) above (the "Defeasance Obligations"), which cash or Defeasance Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;
- (c) the principal and interest of the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;
- (d) the Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and
- (e) the Defeasance Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent;

provided that any investment or deposit described above is not prohibited by applicable Indiana law.

Additionally, evidences of ownership of proportionate interests in future interest and principal payments of Defeasance Obligations are permissible. Investments in these proportionate interest are limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate and apart from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Holder" means the person in whose name a Bond is registered on the Register.

"Interest Payment Dates" means each January 1 or July 1, commencing on \_\_\_\_\_ in the years during which the Bonds are outstanding under the provisions of this Bond Ordinance.

"Outstanding Bonds" means the Outstanding Bonds as defined in the preambles hereto.

"Paying Agent" means \_\_\_\_\_.

"Register" means the books kept and maintained by the Registrar for registration of principal and interest on the Bonds and for registration of transfer of the Bonds.

"Registrar" means \_\_\_\_\_.

"1986 Sewage Works Construction Fund" means the 1986 Sewage Works Construction Fund created in Section 11 hereof.

"Sewage Works Improvement Fund" means the Sewage Works Improvement Fund described in Section 13 hereof.

"Sewage Works Operation and Maintenance Fund" means the Sewage Works Operation and Maintenance Fund created in Section 13 hereof.

"Sewage Works Reserve Account" means the Sewage Works Reserve Account created in Section 11 hereof.

"Sewage Works Reserve Requirement" means, with respect to the Bonds, one year's maximum principal and interest on all Bonds and any bonds on a parity with the Bonds; provided, however, that principal and interest requirements for the final maturity year of any series of bonds, including the Bonds, shall be computed by subtracting from total principal and interest requirements for that series of bonds in that year the balance in the Sewage Works Reserve Account allocable to that series.

"Sewage Works Sinking Fund" means the Sewage Works Sinking Fund described in Section 11 hereof, including therein the Sewage Works Reserve Account.

"Sewer Act" means Ind. Code 36-9-23.

Section 2. The City shall proceed with the construction of additions and improvements to its sewage works in accordance with the plans and specifications heretofore or from time to time prepared and filed by City engineers, which plans and specifications are by reference made a part of this Bond Ordinance as fully as if the same were attached hereto and incorporated herein and two copies of which are now on file in the office of the Clerk of the City of Fort Wayne, Indiana, and are open for public inspection pursuant to I.C. 36-1-5-4. The cost of construction of said additions and improvements, including the funding of a debt reserve in the amount of \$\_\_\_\_\_, the retirement of the Notes and the cost of issuance shall not exceed the sum of \$5,700,000 without further authorization from this Common Council. The terms "sewage treatment works," "works," and other like terms where used in this Bond Ordinance shall be construed to mean and include all structures and property of the City's sewer utility, including items defined at I.C. 36-9-1-8. Said additions and improvements to the sewage works shall include facilities to extend, improve and renovate the sewage system, and shall be constructed in accordance with the plans and specifications heretofore mentioned, which plans and specifications are hereby approved. Said additions and improvements shall be constructed and the Bonds herein authorized shall be issued pursuant to and in accordance with the provisions of the Sewer Act, and all acts supplemental thereto, relating to the issuance of junior revenue bonds.

Section 3. The City shall issue its sewage works junior revenue bonds in an original principal amount of \$5,700,000 (the "Bonds"), for the purpose of procuring funds to apply on the cost of said works and to retire the Notes, including the funding of a debt reserve in the amount of \$\_\_\_\_\_ and the cost of issuance. Any provisions of this Bond Ordinance to the contrary notwithstanding, said Bonds shall rank junior to the Outstanding Bonds.



(a) Form and Numbering. The Bonds shall be issued only in fully registered form substantially as set forth herein, shall be exchangeable for fully registered Bonds of Authorized Denominations in the manner and on the terms provided herein, and shall be numbered as determined by the Registrar, as hereinafter defined.

(b) Denomination and Dates. The Bonds shall be issued in Authorized Denominations and shall be dated as of the Interest Payment Date next preceding the date of their authentication except that if authenticated on an Interest Payment Date they shall be dated as of such date of authentication; provided that if at the time of authentication interest thereon is in default, they shall be dated as of the date to which interest has been paid.

(c) Maturities and Interest Rates. Interest on the Bonds shall be payable on each Interest Payment Date commencing on \_\_\_\_\_ at a rate or rates not exceeding nine percent (9%) per annum (the exact rate or rates to be determined by bidding). The principal shall be payable at maturity on January 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1989	\$ 80,000	2000	\$205,000
1990	90,000	2001	230,000
1991	95,000	2002	245,000
1992	105,000	2003	270,000
1993	115,000	2004	295,000
1994	125,000	2005	320,000
1995	135,000	2006	350,000
1996	150,000	2007	380,000
1997	160,000	2008	415,000
1998	175,000	2009	450,000
1999	190,000	2010	495,000
		2011	625,000

Section 4. Principal of and interest and any premium due on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of \_\_\_\_\_, as the paying agent (the "Paying Agent"). The principal of and any premium on any Bond shall be payable when due to the person in whose name a Bond is registered (the "Holder") on the books (the "Register") kept and maintained by \_\_\_\_\_ (the "Registrar") for registration and transfer of the Bonds at the principal offices of the Paying Agent and interest on the Bonds shall be paid on each Interest Payment Date by check or draft which the Paying Agent shall cause to be mailed on that date to the Holder of the Bond (or one or more Predecessor Bonds, as hereinafter defined) as of the close of business on the 15th day of the calendar month next preceding an Interest Payment Date applicable to that Bond (the "Regular Record Date") at the Holder's address as it appears on the Register. If and to the extent that the City shall fail to make payment or provision for payment of interest on any Bonds on any Interest Payment Date, that interest shall cease to be payable to the person who was the Holder of that Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. In that event, when moneys become available for payment of the interest, (i) the Registrar shall establish a special record date (the "Special Record Date") for the payment of that interest, which Special Record Date shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment and (ii) the Registrar shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than 10 days prior to the Special Record Date and, thereafter, the interest shall be payable to the persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date. As used herein, "Predecessor Bond" means, with respect to any particular Bond, every previous Bond evidencing all or a portion of the same debt as that evidenced by the particular Bond. The Bonds shall mature on January 1 in the years and amounts as set forth in Section 3 hereof.

This Common Council hereby designates \_\_\_\_\_, as paying agent under this Bond Ordinance for the Bonds, as registrar for the Bonds for the purpose of keeping and maintaining the Register for the registration, exchange and transfer of the Bonds pursuant to this Bond Ordinance and as authenticating agent for the Bonds. Every successor

Registrar appointed pursuant to the provisions of the Bond Registrar Agreement described in Section 20 hereof shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Indiana duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$50,000,000.

Section 5. The Bonds maturing January 1, 1997 shall be subject to redemption prior to stated maturity, in whole or in part in inverse order of maturity, at a redemption price of 102% of the principal amount thereof, plus accrued interest to the redemption date, on any Interest Payment Date, commencing July 1, 1996.

The notice of the call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Registrar on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the Holder of each Bond subject to redemption in whole or in part at the Holder's address shown on the Register on the 15th day preceding that mailing; provided that no failure to receive notice by mailing, and no defect in that notice, as to any Bond shall affect the validity of the proceedings for the redemption of any Bond.

Notice having been mailed in the manner heretofore provided, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date and, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date.

If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest thereon to the redemption date, are held by the Paying Agent on the redemption date so as to be available therefor on that date and, if notice of redemption shall have been mailed in the manner heretofore provided, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding hereunder. If those moneys shall not be so available on the redemption date, or that notice shall not have been mailed as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All moneys deposited with and held by the Paying Agent for the redemption of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

Section 6. The Bonds shall be signed in the name of the City of Fort Wayne by the manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the City Controller and attested by the manual or facsimile signature of the Clerk, who shall affix the seal of said City to each of the Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or by any other means. The Bonds may, where appropriate, bear the manual or facsimile signatures of validly appointed Deputy officials. Subject to provisions for registration, the Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a charge upon all the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City, including the works heretofore constructed and all additions and improvements thereto and replacements thereof presently or subsequently constructed or acquired; subject, however, to the prior payment in accordance with the terms thereof, of the principal of and interest on the Outstanding Bonds payable from the revenues of the City's sewage works as hereinbefore set forth, said Outstanding Bonds being a first or second charge, as applicable, against said net revenues. The City shall not be obligated to



pay the Bonds or the interest thereon except from the net revenues of said works, and the Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana.

Section 7. The form and tenor of the Bonds shall be substantially as provided in Exhibit A hereto, all blanks to be filled in properly prior to delivery thereof.

Section 8. So long as any of the Bonds remain outstanding, the City will cause books for the registration and transfer of Bonds, as provided herein, to be maintained and kept at the designated office of the Registrar. Bonds may be exchanged, at the option of their Holder, for Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being exchanged. The exchange shall be made upon presentation and surrender of the Bonds being exchanged at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar.

Any Bond may be transferred upon the Register, upon presentation and surrender thereof at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar. Upon transfer of any Bond and on request of the Registrar, the City shall execute in the name of the transferee, and the Registrar shall authenticate and deliver, a new Bond or Bonds in the name of the transferee, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds presented and surrendered for transfer.

In all cases in which Bonds shall be exchanged or transferred hereunder, the City shall execute, and the Registrar shall authenticate and deliver, Bonds in accordance with the provisions hereof. The exchange or transfer shall be made without charge to the Holder; provided that the City and the Registrar may make a charge for every exchange or transfer of Bonds which is sufficient in amount to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. Those charges shall be paid before a new Bond is delivered.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid special obligations of the City, evidencing the same debt, and entitled to the same benefits hereunder, as the Bonds surrendered upon transfer or exchange. Neither the City nor the Registrar shall be required to make any exchange or transfer of a Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of the mailing or to transfer or exchange any Bonds selected for redemption, in whole or in part.

In case any Bond is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Bond, the City shall cause execution of, and the Registrar shall authenticate and deliver, a new Bond or Bonds in Authorized Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Bond redeemed in part.

If any Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the City or the Registrar that a lost, wrongfully taken or destroyed Bond has been acquired by a bona fide purchaser, the City shall execute, and the Registrar shall authenticate and deliver, a new Bond of like date, maturity and denomination as the Bond mutilated, lost, wrongfully taken or destroyed; provided that (i) in the case of any mutilated Bond, the mutilated Bond first shall be surrendered to the Registrar and (ii) in the case of any lost, wrongfully taken or destroyed Bond, there first shall be furnished to the City and the Registrar evidence of the loss, wrongful taking or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them.



If any lost, wrongfully taken or destroyed Bond shall have matured, instead of issuing a new Bond, the City may direct the Registrar to pay that Bond without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Bond. The City and the Registrar may charge the Holder of a mutilated, lost, wrongfully taken or destroyed Bond their reasonable fees and expenses in connection with their actions pursuant to this Section.

Every new Bond issued pursuant to this Section by reason of any Bond being mutilated, lost, wrongfully taken or destroyed (i) shall constitute, to the extent of the outstanding principal amount of the Bond lost, mutilated, wrongfully taken or destroyed, an additional contractual obligation of the City, regardless of whether the mutilated, lost, wrongfully taken or destroyed Bond shall be enforceable at any time by anyone and (ii) shall be entitled to all of the benefits of this Bond Ordinance equally and proportionately with any and all other Bonds issued and outstanding hereunder; provided that nothing in this paragraph shall limit the authority and right of the City to exercise its rights under the indemnity furnished at the time of issuance of a new Bond or payment of a Bond without surrender.

All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

Any Bond surrendered pursuant to this Section for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be cancelled upon presentation and surrender thereof to the Registrar or any Paying Agent. Any Bond cancelled by the Paying Agent shall be transmitted promptly to the Registrar by the Paying Agent.

The City may deliver at any time to the Registrar for cancellation any Bonds previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever. All Bonds so delivered shall be cancelled promptly by the Registrar. Certification of the surrender and cancellation shall be made to the City by the Registrar at least twice each calendar year.

Unless otherwise directed by the City, cancelled Bonds shall be promptly destroyed by the Registrar by shredding or incineration after their cancellation. Evidence of any destruction of cancelled Bonds shall be provided by the Registrar to the City upon written request.

In the event any Bond shall not be presented for payment when the principal or premium thereon becomes due in whole or in part, either at stated maturity, at the date fixed for redemption thereof or otherwise, or in the event any check or draft for interest on any Bond is uncashed, if moneys sufficient to pay the principal then due of that Bond or such check or draft shall have been made available to the Registrar for the benefit of its Holder, then all liability of the City to that Holder for payment of the principal then due of the Bond or of the interest represented by such check or draft shall cease and be completely discharged. Thereupon, it shall be the duty of the Registrar to hold those moneys, without liability for interest thereon, in a separate account for the exclusive benefit of the Holder of that Bond, who shall thereafter be restricted exclusively to those moneys for any claim of whatever nature on its part under this Bond Ordinance on, or with respect to, the principal or interest then due of that Bond or the interest represented by such check or draft.

Any of those moneys which shall be so held by the Registrar, and which remain unclaimed by the Holder of the Bond not presented for payment or a check or draft not cashed for a period of six years after that due date thereof, shall upon request in writing by the City be paid to the City free of any trust or lien. Thereafter, the Holder of that Bond shall look only to the City for payment and then only to the amounts so received by the City without any interest thereon, and the Registrar shall have no responsibility with respect to those moneys.



Section 9. The City Controller is hereby authorized and directed to have the Bonds prepared, and the Mayor, Clerk and City Controller are hereby authorized and directed to execute the Bonds, in the form and manner herein provided. The City Controller or the Clerk is hereby authorized and directed to deliver the Bonds to the purchaser thereof after sale made in accordance with the provisions of this Bond Ordinance, provided that at the time of said delivery the City Controller or the Clerk shall collect the full amount which the purchaser has agreed to pay therefor, which shall not be less than the face value of the Bonds, plus accrued interest from the date thereof to the date of delivery (the "Purchase Price"). The Bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the net revenues of the City's sewage works to be set aside into the Sewage Works Sinking Fund as herein provided, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of acquisition, construction and installation of said additions and improvements to the sewage works hereinbefore referred to, retiring the Notes when due, funding a debt reserve in the amount of \$\_\_\_\_\_ and the payment of expenses necessarily incurred in connection therewith. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Bond Ordinance.

Section 10. Prior to the sale of the Bonds, the City Controller shall cause to be published notices pursuant to I.C. 5-1-11 and I.C. 5-3-1. A notice of sale may also be published one time in The Indianapolis Commercial, and a notice or summary notice may also be published in The Bond Buyer in New York, New York. The bond sale notice shall state either the time and place of sale or the manner in which the Bonds shall be sold and shall state the character and amount of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller or the Clerk and the attorneys employed by the City shall deem advisable and any summary notice may contain any information deemed so advisable. Said notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) to guarantee performance on the part of the bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default; that bidders for the Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth ( $1/8$ ) or one-tenth ( $1/10$ ) of one percent (1%). No conditional bids will be considered. The opinion of Squire, Sanders & Dempsey, bond counsel of Columbus, Ohio, approving the legality of the Bonds, will be furnished to the purchaser at the expense of the City.

The Bonds shall be awarded by the City Controller to the highest qualified bidder who has submitted his bid in accordance with the terms of this Bond Ordinance and the notice of sale. The highest bidder will be the one who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds to their maturities and deducting therefrom the premium bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which is lower than the highest bid received at the time of the advertised sale will be considered.

The Mayor and the City Controller, and either of them, are directed to make the necessary arrangements on behalf of the City to establish the date, location, procedure and conditions for the delivery of the Bonds to the Purchaser to the extent not provided for herein. Said officers are further directed to take all steps necessary to effect due authentication, delivery and perfection of the security of the Bonds under the terms hereof. It is hereby determined that the Purchase Price and the manner of sale and the terms of the Bonds, as provided in this Bond Ordinance, are consistent with all legal requirements and will carry out the public purposes specified in the Sewer Act.



Section 11. The accrued interest and premium received at the time of the delivery of the Bonds, if any, shall be deposited in the Sewage Works Sinking Fund (the "Sewage Works Sinking Fund") heretofore created by Ordinance No. 1939, adopted July 26, 1938 and continued by the ordinances authorizing the issuance of the Outstanding Bonds. Bond proceeds in the amount of \$\_\_\_\_\_ will be deposited, pursuant to the advice of the City's financial advisor that such funding is a necessary expense of financing the works under I.C. 36-9-23-11 and the inclusion of that funding in the engineer's estimate of the cost of the works, in a separate account (the "Sewage Works Reserve Account") in the Sewage Works Sinking Fund, which sum will be held as a debt service reserve therein and credited to the City's obligation thereunder to accumulate net revenues therein as a margin of safety. Said financial advisor has also advised the City that such reserve is reasonably required in order to enhance the marketability of the Bonds and that, without this reserve, the Bonds would be unmarketable or the interest rate demanded by investors would affect the economic feasibility of the project. To the extent that the amount in the Sewage Works Reserve Account applicable to the Bonds exceeds the Sewage Works Reserve Requirement for the Bonds, such excess may be transferred to the Sewage Works Operation and Maintenance Fund or, if the Sewage Works Operation and Maintenance Fund is funded in accordance with the requirements of Section 13 hereof, to the Sewage Works Improvement Fund. The remaining proceeds from the sale of the Bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Fort Wayne, 1986 Sewage Works Construction Fund" (the "1986 Sewage Works Construction Fund"). All funds deposited to the credit of said Sewage Works Sinking Fund or 1986 Sewage Works Construction Fund shall be deposited, held, secured or invested in Eligible Investments and in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly I.C. 5-13-1, and the acts amendatory thereof and supplemental thereto; provided that any investment of monies in the Sewage Works Sinking Fund (other than the Sewage Works Reserve Account) shall mature on or before the time the monies will be required to pay any debt service; provided, further, that all amounts representing accrued and capitalized interest shall be held by the City, pledged solely to the payment of interest and invested only in Government Obligations. In computing the amount in any fund or account, investments shall be valued at the market value of such obligations, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur semi-annually and immediately upon a withdrawal from the Sewage Works Reserve Account. If amounts on deposit in the Sewage Works Reserve Account shall, at any time, be less than the applicable requirement set forth in Section 12 hereof, such deficiency shall be made up over a twelve (12) month period. The depository or depositories for said Sewage Works Sinking Fund and 1986 Sewage Works Construction Fund shall be a bank which shall be a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation, or like organizations having similar powers and duties. The funds in said special account or accounts shall be expended only for the purpose of paying the cost of the sewage works, as defined in I.C. 36-9-1-8 and 36-9-23, or as otherwise required by the Sewer Act, for retiring the Notes when due or for funding a debt reserve in the amount of \$\_\_\_\_\_ or for the expenses of issuance of the Bonds. The cost of obtaining the opinion the Squire, Sanders & Dempsey shall be considered as a part of the cost of the project on account of which the Bonds are issued, and shall be paid out of the proceeds of the Bonds or out of the revenues of the sewage works.

The Common Council authorizes the insurance of the Bonds with a municipal bond insurance company if the City Controller, acting on the advice of the City's financial consultant, finds such insurance advisable and a necessary expense of financing the sewage works. The cost of obtaining said insurance shall be considered as a part of the cost of the project on account of which the Bonds are issued, and shall be paid out of the proceeds of the Bonds or out of other funds of the sewage works.

The City covenants that it will not invest the proceeds of the Bonds, or any moneys treated as proceeds by the Internal Revenue Service, in any manner, make any investment of moneys in the Sewage Works Sinking Fund in any manner, or take or fail to take any other action, which would result in the Bonds constituting "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Treasury Regulations or any Revenue Rulings promulgated thereunder, or as determined by any court of competent jurisdiction. The City Controller of the City or any other officer



having responsibility for issuing the Bonds is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee or consultant of the City, to give an appropriate certificate of the City, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the City regarding the amount and use of all such proceeds and the facts and estimates on which they are based, all as the date of delivery of and payment for the Bonds. The City Clerk of the City shall furnish to the original purchaser a true transcript, certified by the City Clerk of the City, of all proceedings had with reference to the issuance of the Bonds along with such other information from the records of the City as is necessary to determine the regularity and validity of the issuance of the Bonds.

The City covenants that it will take all actions that may be required of the City for the interest on the Bonds to be and remain exempt from federal income tax, and will not take any actions which would adversely affect such exemption, under the provisions of federal tax laws that apply to the Bonds, and also under the provisions of H.R. 3838 pending in Congress, as passed by the House on December 17, 1985, but with the effective date stated for certain provisions thereof listed in the March 14, 1986 Joint Statement by the leaders of the House Committee on Ways and Means and the Senate Committee on Finance and the Secretary of the Treasury, until and unless, and except to the extent, with respect to H.R. 3838, the City obtains a written opinion of nationally recognized bond counsel that this covenant, as it pertains to H.R. 3838, need not be complied with in order for the interest on the Bonds to continue to be exempt from federal income taxation; and the City Controller and other appropriate officers are hereby authorized to take such actions and give such certifications as may be appropriate to assure such tax exemption of the interest.

Any balance or balances remaining unexpended in the 1986 Sewage Works Construction Fund after completion of the works, payment of the Notes and the payment of all issuance expenses for the Bonds, which are not required to meet unpaid obligations incurred in connection with such construction and issuance, shall be paid into the Sewage Works Sinking Fund and shall be used solely for the purposes of said fund.

Section 12. The special fund designated "Sewage Works Sinking Fund" created by Ordinance No. 1939, adopted on July 26, 1938, and continued for the payment of the Outstanding Bonds, is hereby designated as the special fund for the payment of the interest on and principal of the Bonds authorized by this Bond Ordinance and the payment of any fiscal agency charges in connection with the payment of the Bonds and interest thereon. The Sewage Works Sinking Fund shall be continued until all of the bonds issued under said prior ordinances and this Bond Ordinance have been paid. There shall be set aside and paid into the Sewage Works Sinking Fund three business days prior to the first day of each calendar month, as available, or more often if necessary, a sufficient amount of the net revenues of said sewage works for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Refunded Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (b) the necessary fiscal agency charges for paying said bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works as they fall due; provided, however, that credit shall be given for principal payable on any Refunded Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund and (e) any amounts necessary to maintain a balance in the Sewage Works Reserve Account equal to the Sewage Works Reserve Requirement. The term "net revenues" as used in this section shall be construed to mean the revenues for any calendar year after deduction only for the reasonable cost of operation, maintenance and repair. The monthly payments into the Sewage Works Sinking Fund shall be in an amount equal to at least one-twelfth (1/12) of the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as the Sewage Works Sinking Fund shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the dates of maturity thereof. In addition to said required monthly payments into the Sewage Works Sinking Fund, all of the net



revenues of said sewage works not used in making said required sinking fund payments shall be set aside and paid into the Sewage Works Sinking Fund monthly, as available, until there has been accumulated in the Sewage Works Sinking Fund, over and above said required payments but including the funded reserves and investment income thereon, an amount equal to the sum of the principal of and interest on all then outstanding bonds which will be payable during the then next succeeding twelve (12) calendar months. The Sewage Works Sinking Fund shall be maintained at such levels, and additional amounts of net revenues shall be deposited in the Sewage Works Sinking Fund to the extent necessary to maintain such levels.

In no event shall any part of the Sewage Works Sinking Fund be used in purchasing bonds, except to the extent that the amount then in the Sewage Works Sinking Fund (other than the Sewage Works Reserve Account) exceeds the amount required to pay the principal of the bonds payable therefrom which will mature within a period of twelve (12) calendar months next following the date of such purchase, together with all interest on the bonds payable. Any such excess of funds above said required levels may be used in purchasing outstanding bonds at a price less than the applicable price at maturity, if first approved by the Board of Public Works and Safety. Moneys in the Sewage Works Sinking Fund shall not be used for any other purpose whatsoever except as provided in this Bond Ordinance.

If the City shall, for any reason, fail to pay into the Sewage Works Sinking Fund the full amount and at the respective times above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Sewage Works Sinking Fund from the first available revenues and the same shall be in addition to the minimum amounts otherwise herein provided to be so set apart and paid.

Withdrawals shall be made from the Sewage Works Sinking Fund and remitted to the places of payment of the interest and principal to meet such payments when due.

The Sewage Works Sinking Fund, as aforesaid, shall be used solely and only and is hereby pledged for the purpose of paying principal of and interest on the bonds which by their terms are payable from said funds. Upon the delivery of said bonds and the receipt of the proceeds, all sums received as accrued interest and premium, if any, shall be placed in the Sewage Works Sinking Fund.

Section 13. In the event that all required payments into the Sewage Works Sinking Fund have been met to date and there has been accumulated as a reserve in said Sewage Works Sinking Fund, including the bond proceeds deposited, over and above said payments, an amount equal to the respective sums required by Section 12, and there has been accumulated an amount in a separate fund (the "Sewage Works Operation and Maintenance Fund") sufficient for operation, repair and maintenance of the work for the then next succeeding twelve (12) calendar months, and for depreciation, then any excess revenues of the works available may be placed in the Sewage Works Improvement Fund (the "Sewage Works Improvement Fund"). Moneys in the Sewage Works Improvement Fund may be used to pay the costs of improvements, betterments, extensions, enlargements and additions to the works. No revenues of the works shall be deposited in or credited to the Sewage Works Improvement Fund which will interfere with the requirements of the Sewage Works Sinking Fund, the accumulation of the required reserve therein, or with the requirements as to reserving funds for the operation, maintenance and repair of the works and for depreciation. All or any portion of the funds accumulated and reserved for operation, repair and maintenance for the then next succeeding twelve (12) calendar months in the Sewage Works Operation and Maintenance Fund shall be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the bonds payable from the Sewage Works Sinking Fund.

Section 14. All revenues received on account of the sewage works shall be segregated and kept in a special fund separate and apart from all other funds of the City. Out of this fund the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid and the requirements of the Sewage Works Sinking Fund shall be met. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made and showing (i) all revenues collected from said works and deposited in said fund,



(ii) all disbursements made therefrom on account of the operation of the works, and to meet the requirements of the Sewage Works Sinking Fund, (iii) all other financial transactions relating to said works, including the amounts set aside or credited to the Sewage Works Sinking Fund, the Sewage Works Operation and Maintenance Fund and the Sewage Works Improvement Fund, and (iv) the cash balance in each of said funds as of the close of the preceding fiscal year. There shall be prepared and furnished, upon written request, to the original purchaser of the Bonds, and to any Holder of the Bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the City Controller, or the person charged with the duty of auditing the books and records relating to said works, or by licensed independent public accountants employed for that purpose. Copies of all such statements and reports shall be kept on file in the office of the City Controller. Any Holder or Holders of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Section 15. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by said works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewerage system of the City, or that in any way uses or is served by such works; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund by the Sewer Act and this Bond Ordinance; and that such rates or charges shall be sufficient in each year to produce net revenues, as defined in Section 12 of this Bond Ordinance, equal to 1.1 times the greater of the average annual debt service on the Bonds and all bonds on a parity therewith or the debt service payable during the next succeeding twelve calendar months on the Bonds and all bonds on a parity therewith. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, depreciation and the requirements of the Sewage Works Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof, and shall be paid semi-annually by the City or the various departments thereof as the charges accrue.

Section 16. Bonds shall be deemed to have been paid and discharged and shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the City's sewage works if:

(1) There shall be held in trust for and irrevocably committed therein, sufficient moneys, or

(2) There shall be held in trust for and irrevocably committed thereto, noncallable direct obligations of the United States of America certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates and to bear such interest as will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which are likewise to be held in trust and committed, except as hereinafter provided), together with moneys referred to in clause (1),

for the payment, at the maturity date of those Bonds, of the principal thereof, together with the interest thereon accrued to the date of maturity, or if default in that payment shall have occurred on that date then to the date of the tender of that payment.

Any moneys held in accordance with the provisions of this Section shall be invested, upon written direction of the City, only in noncallable direct obligations of the United States of America, the maturities or redemption dates of which, at the option of the holder, shall, to the extent necessary to comply with clause (2) above, coincide as nearly as practicable

with, but not later than, the time or times at which those moneys will be required for the aforesaid purposes. Any income or interest earned by, or increment to, the investments held under this Section shall, to the extent certified from time to time by an independent public accounting firm of national reputation to be in excess of the amount required to be held by it for the purposes of this Section, be transferred at the time of that determination to the City free of any trust or lien.

If the Bonds shall be deemed paid and discharged pursuant to this Section, then within 15 days after such Bonds are so deemed paid and discharged the City shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state that all Bonds are deemed paid and discharged, set forth a description of the obligations held pursuant to clause (2) of the first paragraph of this Section.

Section 17. The City covenants that it will not issue any more bonds on a parity with the Refunded Bonds and that it will not issue any variable rate bonds on a parity with the Refunding Bonds or, so long as the Bonds are outstanding, any bonds on a parity with the Refunding Bonds. The City reserves the right, however, to authorize and issue additional bonds, payable out of the revenues of its sewage works, ranking on a parity with the Bonds authorized by this Bond Ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with the terms thereof.

(b) As of the date of issuance of such additional bonds, the balance in the Sewage Works Sinking Fund shall equal not less than the Sewage Works Reserve Requirement calculated to include principal and interest requirements on the Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued.

(c) The net revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Bonds authorized by this Bond Ordinance shall be not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued; provided, however, that in any year in which the final maturity of a series of bonds occurs, annual interest and principal requirements may be reduced for the purposes of this subsection by the balance in the Sewage Works Reserve Account allocable thereto. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose, who shall certify that he has no pecuniary interest in said additions, extensions or improvements or the financing thereof in any way whatsoever other than to analyze the records of said sewage works and to prepare said showings.

(d) The principal of said additional parity bonds shall be payable on January 1 and the interest on said additional parity bonds shall be payable semi-annually on January 1 and July 1 in the years in which such principal and interest are payable.



(e) Any term bonds issued on a parity with the Bonds shall have sinking fund amortization such that the principal and interest due on the Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued is substantially level over the term of all such parity bonds.

Section 18. For the purpose of further safeguarding the interests of the Holders of the Bonds herein authorized, it is specifically provided as follows:

(a) All contracts let or hereafter to be let by the City in connection with the construction of any additions and improvements to the sewage works shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Any additions and improvements shall be constructed under the supervision of the City's engineers. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) The City shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as net revenues of the works.

(e) So long as any of the Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete.

(f) Except as hereinbefore provided in Section 17 hereof, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are retired or defeased pursuant to Section 13 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The City shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, cause all such sanitary sewers to be connected with said sewage works.

(h) The provisions of this Bond Ordinance shall constitute a contract by and between the City of Fort Wayne and the Holders of the Bonds herein authorized, and after the issuance of the Bonds, this Bond Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the Holders of the Bonds, nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such Holders so long as any of the Bonds or the interest thereon remain unpaid. Nothing in Section 19 hereof shall be construed as violating this provision.

(i) The provisions of this Bond Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds authorized for the uses and purposes herein set forth, and the Holders of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Bond Ordinance and of the Sewer Act. The provisions of this Bond Ordinance shall also be construed to create a trust in the portion of the net revenues herein directed to be set apart and paid into the Sewage Works Sinking Fund for the uses and purposes of said fund as in this Bond Ordinance set forth. The Holders of the Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Sewer Act hereinbefore referred to, including the right to have a receiver appointed to administer said sewage works, in the event of default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this Bond Ordinance or the Sewer Act.

Section 19. Subject to the terms and conditions contained in this section, and not otherwise, the Holders of not less than sixty-six and two-thirds per cent ( $66\frac{2}{3}\%$ ) in aggregate principal amount of the Bonds issued pursuant to this Bond Ordinance and then outstanding shall have the right, from time to time, anything contained in this Bond Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing contained herein shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Bond Ordinance; or

(b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by this Bond Ordinance; or

(d) A preference or priority of any Bond or Bonds issued pursuant to this Bond Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Bond Ordinance; or

(e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance.

The Holders of not less than sixty-six and two-thirds per cent ( $66\frac{2}{3}\%$ ) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City. No Holder of any Bond issued pursuant to this Bond Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or



the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Bond Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Ordinance of the City and all Holders of Bonds issued pursuant to the provisions of this Bond Ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this Bond Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Bond Ordinance, the rights and obligations of the City and of the Holders of the Bonds authorized by this Bond Ordinance, and the terms and provisions of the Bonds and this Bond Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the Holders of all the Bonds issued pursuant to this Bond Ordinance then outstanding.

Section 20. The Mayor and the City Controller of the City are each hereby authorized and directed to complete and execute, on behalf of the City and in their official capacities, a Bond Registrar Agreement, dated as of June 1, 1986, between the City and the Registrar, substantially in the form presented to the Common Council but containing such provisions and with such modifications, changes and supplements as are necessary or desirable for the purposes thereof as such officers shall approve.

The Official Statement of the City relating to the original issuance of the Bonds substantially in the form now on file with the City Controller is hereby approved and the use and distribution of the Preliminary Official Statement is hereby ratified and the Mayor, and the City Controller of the City are each hereby authorized and directed to complete and execute, on behalf of the City and in their official capacities, that Official Statement, with such modifications, changes and supplements as are necessary or desirable for the purposes thereof as those officers shall approve. Those officers are authorized to use and distribute, or to authorize the use and distribution of, the Official Statement and any supplements thereto as so executed in connection with the original issuance of the Bonds, and are each authorized and directed to advise the original purchaser of the Bonds in writing regarding limitations on the use of the Official Statement and any supplements thereto for the purposes of marketing or reoffering the Bonds as the officer acting deems necessary or appropriate to protect the interest of the City. The Mayor and the City Controller are each authorized to execute and deliver, on behalf of the City and in their official capacities, such certificates in connection with the accuracy of the Official Statement and any supplements thereto as may, in their judgment, be necessary or appropriate.

Section 21. The sewage works rates and charges will be established pursuant to a separate ordinance of this Common Council to be passed at approximately the same time as this Bond Ordinance.

Section 22. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that this Bond Ordinance shall not be deemed in any way to repeal, amend, alter or modify the ordinances authorizing the issuance of the Outstanding Bonds, nor be construed as adversely affecting the rights of the holders of the aforementioned Outstanding Bonds.

Section 23. This Bond Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

  
Councilman

Approved as to form and legality this 7<sup>th</sup> day of April, 1986.

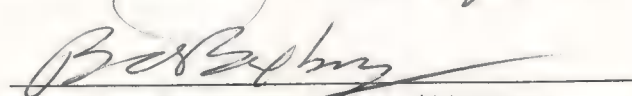
  
Bruce O. Boxberger, City Attorney

EXHIBIT A

[FORM OF FACE OF BOND]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$

CITY OF FORT WAYNE  
SEWAGE WORKS REVENUE BOND OF 1986

Interest Rate: \_\_\_\_\_ Maturity Date: \_\_\_\_\_ Dated as of: \_\_\_\_\_ CUSIP: \_\_\_\_\_  
\_\_\_\_\_% per annum

Registered Owner:

Principal Amount:

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Amount specified above on the aforesaid Maturity Date, and to pay from that special revenue fund interest thereon at the aforesaid Interest Rate on the first days of January and July in each year (the "Interest Payment Dates") commencing \_\_\_\_\_, until the Principal Amount is paid or duly provided for. This Bond will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date.

The principal of and any premium on this Bond are payable upon presentation and surrender hereof at the principal office of the Paying Agent, presently \_\_\_\_\_ (the "Paying Agent"). Interest is payable on each Interest Payment Date by check or draft mailed to the person in whose name this Bond (or one or more predecessor bonds) is registered (the "Holder") at the close of business on the 15th business day of the calendar month next preceding that Interest Payment Date (the "Regular Record Date") on the registration books for this issue maintained by \_\_\_\_\_, as Registrar (the "Registrar"), at the address appearing therein. Any interest which is not timely paid or duly provided for shall cease to be payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date, and shall be payable to the Holder hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Registrar for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than ten days prior thereto. The principal of and interest on this Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent.

This Bond is one of an authorized issue of Sewage Works Revenue Bonds of 1986 (the "Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total principal amount of Five Million Seven Hundred Thousand Dollars (\$5,700,000), issued for the purpose of providing funds to be applied to the retirement of the City's outstanding \$2,000,000 bond anticipation notes dated December 30, 1985 and to the cost of additions and improvements to the City's sewage works, including the funding of a debt reserve in the amount of \$\_\_\_\_\_ and the cost of issuance, as authorized by an ordinance (the "Bond Ordinance") adopted by the Common Council of the City of Fort Wayne on the \_\_\_\_\_ day of \_\_\_\_\_.



1986, entitled "An Ordinance concerning the construction of additions and improvements to the sewage works of the City of Fort Wayne, the issuance of junior revenue bonds to provide the cost thereof and for the refunding of bond anticipation notes of the City, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue bonds, and other matters connected therewith and for repealing ordinances inconsistent therewith" and in strict compliance with the provisions of I.C. 36-9-23 (the "Sewer Act").

This Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH HERE.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this Bond have been done and performed in regular and due form as provided by law.

Date of  
Registra-  
tion and  
Authenti-  
cation: \_\_\_\_\_  
\_\_\_\_\_

This Bond is one of  
the Bonds described  
in the within-men-  
tioned Bond  
Ordinance.

Registrable at:

Payable by:

IN WITNESS WHEREOF,  
the City of Fort Wayne,  
in Allen County, State  
of Indiana, has caused  
this Bond to be exe-  
cuted in its corporate  
name by the manual or  
facsimile signature  
of the Mayor of the  
City, countersigned  
by the manual or fac-  
simile signature of  
the City Controller,  
its corporate seal to  
be hereunto affixed  
manually, or imprinted  
or impressed thereon by  
facsimile or by any  
other means, and at-  
tested manually or by  
facsimile by its Clerk  
as of the \_\_\_\_\_ day of  
\_\_\_\_\_, 1986.

Registrar

By: \_\_\_\_\_  
Authorized  
Officer

CITY OF FORT WAYNE,  
INDIANA

By (facsimile) \_\_\_\_\_  
Mayor

Attest:

Countersigned:

(facsimile) \_\_\_\_\_  
Clerk

(facsimile) \_\_\_\_\_  
City Controller

(FACSIMILE OF SEAL)



[FORM OF REVERSE SIDE OF BOND]

Reference is hereby made to the Bond Ordinance for a more complete description of the nature and extent of the security for the Bonds, the rights, duties and obligations of the Holders, the Registrar, the Paying Agent and the City, and the terms and conditions upon which the Bonds are issued and secured, to all of the provisions of which Bond Ordinance each Holder, by the acceptance hereof, assents. A copy of the Bond Ordinance is on file in the office of the Clerk of the City.

Pursuant to the provisions of the Sewer Act and the Bond Ordinance, the principal and interest of this Bond and all other Bonds of said issue, and any bonds ranking on a parity therewith, are payable solely from moneys held in the Sewage Works Sinking Fund heretofore created by Ordinance No. 1939, adopted July 26, 1938 (the "Sewage Works Sinking Fund") to be provided from the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City of Fort Wayne, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the City's Sewage Works Improvement Revenue Bonds, dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand Dollars (\$640,000), the City's Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), the City's Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), the City's Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1985, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), the City's Sewage Works Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), the City's Sewer Connection Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000) (collectively, the "Refunded Bonds"), and the City's Sewer Works Revenue Refunding Bonds, initially dated as of December 18, 1985, in the original principal amount of \$18,096,275.15 (the "Refunding Bonds"; collectively with the Refunded Bonds, the "Outstanding Bonds"). The Refunded Bonds are of equal priority and are payable annually over a period ending on August 1, 2000 and the Refunding Bonds are junior only to the Refunded Bonds and are payable annually over a period ending on August 1, 2005. This Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Bond or the interest thereon except from said special fund provided from said net revenues.

Subject to the prior servicing of the Outstanding Bonds, the City of Fort Wayne irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal of and interest on the Bonds authorized by the Bond Ordinance, of which this is one, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to provide for proper depreciation, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund under the provisions of the Sewer Act and the Bond Ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges,



or if there be a default in the payment of the interest on or principal of this Bond, the Holder of this Bond shall have all of the rights and remedies provided for in the Sewer Act and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Bond and the interest hereon.

The City of Fort Wayne further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on all bonds payable from the revenues of said sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Refunded Bonds, so long as sufficient funds are available under the Escrow Agreement (as defined in the Bond Ordinance) for the payment thereof, (b) the necessary fiscal agency charges for paying said bonds and interest, (c) the principal of all bonds payable from the revenues of said sewage works, as such principal shall fall due; provided, however, that credit shall be given for principal payable on any Refunded Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund together with (e) other sums to be held as reserves as provided in the Bond Ordinance. Such required payments shall constitute a charge upon all the net revenues of said works; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds.

If any Bond shall not be presented for payment of principal on the date fixed therefor, or in the event any check or draft for interest on any Bond is uncashed, the City may deposit in trust with the Registrar an amount sufficient to pay the principal then due of that Bond or such check or draft, as the case may be, and thereafter the Holder shall look only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Bond and all other Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Bonds maturing on or after January 1, 1997 are subject to optional redemption prior to stated maturity, pursuant to first class mailed notice thereof given 30 days prior to the redemption date, at the direction of the City either in whole or in part in integral multiples of \$5,000 on any Interest Payment Date, commencing July 1, 1996, at the redemption price of 102% of the principal amount redeemed.

If less than all of the outstanding Bonds are called for redemption at one time, they shall be called in inverse order of the maturities of the Bonds outstanding, and if less than all Bonds of a single maturity are to be redeemed, the selection of Bonds or portions thereof to be redeemed shall be made by lot by the Paying Agent in any manner selected by it. If Bonds or portions thereof are called for redemption and if on the redemption date moneys for the redemption thereof, together with interest thereon accrued to that date, are held by the Paying Agent and available therefor, then from and after that date the Bonds or portions thereof called for redemption shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Bond Ordinance.



To the extent and in the manner permitted by the terms of the Bond Ordinance, any of the terms or provisions contained in the Bond Ordinance, or in any supplemental ordinance, may be modified, altered, amended, added to or rescinded by the adoption by the City of such ordinance or ordinances supplemental to the Bond Ordinance as are deemed necessary or desirable by the City with the consent of the Holders of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the then outstanding Bonds. No such action shall result in (i) an extension of the maturity of the principal of or interest on any Bond, (ii) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, (iii) the creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by the Bond Ordinance, (iv) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) a reduction in the aggregate principal amount of the Bonds required for consent to a supplemental ordinance.

The Bonds are issuable only as fully registered bonds in the principal amounts of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). The Bonds are exchangeable for Bonds of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing, upon presentation and surrender hereof to the Registrar. The Registrar is not required to transfer or exchange (i) any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (ii) any Bonds so selected for redemption in whole or in part.

[LEGAL OPINION]

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_ the within Bond and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer that Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

The social security number, taxpayer identification number, or other identifying number of the assignee is to be inserted in the box.



BILL NO. S-86-04-11 (*recommended*)

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS

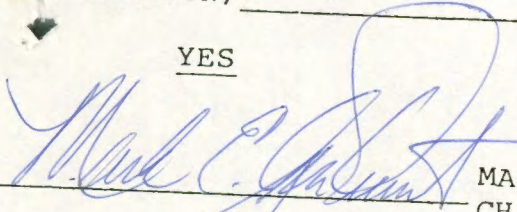
REFERRED AN (ORDINANCE) (~~RESOLUTION~~) concerning the construction

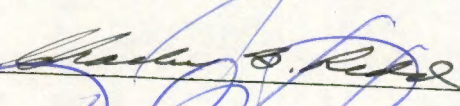
of additions and improvements to the sewage works of the City of  
Fort Wayne, the issuance of junior revenue bonds to provide funds  
for the cost thereof and for the refunding of bond anticipation notes  
of the City, the collection, segregation and distribution of the  
revenues of said works, the safeguarding of the interests of the  
holders of said junior revenue bonds, and other matters connected  
therewith and repealing ordinances inconsistent therewith

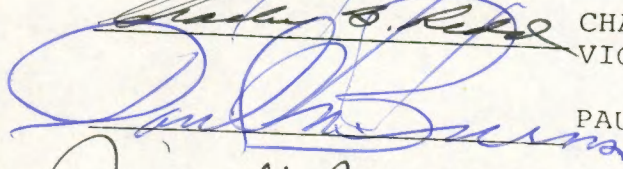
HAVE HAD SAID (ORDINANCE) (RESOLUTION) UNDER CONSIDERATION AND BEG  
LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID (ORDINANCE)  
(RESOLUTION)

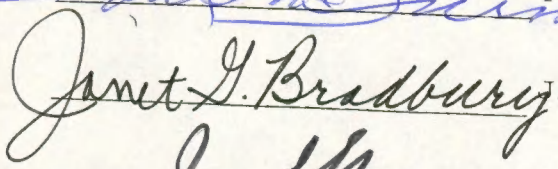
YES

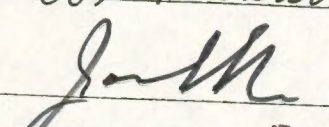
NO

  
MARK E. GiaQUINTA  
CHAIRMAN

  
CHARLES B. REDD  
VICE CHAIRMAN

  
PAUL M. BURNS

  
JANET G. BRADBURY

  
JAMES S. STIER

CONCURRED IN 7-22-86

SANDRA E. KENNEDY  
CITY CLERK